

Company Registration No. 01584795 (England and Wales)

BRAVADO LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2011

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BRAVADO LIMITED

COMPANY INFORMATION

Directors	D A Green S L Quinnell G F Palmer
Secretary	G F Palmer
Company number	01584795
Registered office	First Floor, Thavies Inn House, 3-4 Holborn Circus, London, EC1N 2HA
Auditors	Wilson Wright LLP, Chartered Accountants, Thavies Inn House, 3-4 Holborn Circus, London, EC1N 2HA
Bankers	Royal Bank of Scotland plc

BRAVADO LIMITED

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BRAVADO LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2011

The directors present their annual report and financial statements for the year ended 31 May 2011

Principal activities and review of the business

The company's principal activity is that of the design, sale and manufacture of garments

A summary of the results of the year's trading is given on page 5 of the financial statements

Review of business and future developments

The company suffered a trading loss, despite improved gross profit margin, due to the continuing prevailing economic conditions

The directors aim to return to profitability with overheads saving, whilst seeking to source production from the most advantageous markets worldwide to further improve profit margin

With these initiatives, the directors are of the opinion that they will be in a good position to address and turn around the trading pattern going forward

Key financial highlights

	2011	2010	2009
Turnover	£9,934,956	£10,446,001	£12,090,118
Turnover growth / (reduction)	(5%)	(14%)	15%
Operating loss	£75,309	£1,696,737	£246,438

Risks and uncertainties

The directors have given careful consideration to the principal risks facing the company, relating to the current High Street and Supermarket trading climate. They feel confident that with both their new and established customer base, and the initiatives being taken, the company will be well placed to compete under the economic conditions for the foreseeable future

Results and dividends

The results for the year are set out on page 5

No dividend was proposed or paid during the year (2010 - £Nil)

Post balance sheet events

There have not been any significant post balance sheet events

Directors

The following directors have held office since 1 June 2010

D A Green
S L Quinnell
G F Palmer

BRAVADO LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2011

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

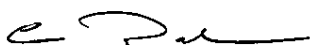
Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditors, Wilson Wright LLP, will be proposed for re-appointment in accordance with Section 485 of the Companies Act 2006.

On behalf of the board



G F Palmer

Director



BRAVADO LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BRAVADO LIMITED

We have audited the financial statements of Bravado Limited for the year ended 31 May 2011 set out on pages 5 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 May 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter - Going concern/debt recoverability

In forming our opinion, we have considered the adequacy of the disclosures made in note 13 to the financial statements concerning the company's ability to continue as a going concern. The company has relied on the financial support of its major shareholder. In view of the significance of the support we consider it should be drawn to your attention, but our opinion is not qualified in this respect.

We have also considered the adequacy of the disclosures made in note 10 of the financial statements concerning a debt due to the company of £347,852. It is not possible to predict at this time with any certainty whether the debt will be recovered in full. In view of this uncertainty we consider it should be drawn to your attention, but our opinion is not qualified in this respect.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

BRAVADO LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF BRAVADO LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Michael Lerner FCA, FCCA (Senior Statutory Auditor)
for and on behalf of Wilson Wright LLP,
Chartered Accountants and Statutory Auditors,
Thavies Inn House,
3-4 Holborn Circus,
London, EC1N 2HA

1 November 2011

BRAVADO LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 2011**

	Notes	2011 £	2010 £
Turnover	2	9,934,956	10,446,001
Cost of sales		(8,360,779)	(9,376,393)
Gross profit		1,574,177	1,069,608
Administrative expenses		(1,679,736)	(2,771,345)
Other operating income		30,250	5,000
Operating loss	3	(75,309)	(1,696,737)
Interest receivable		338	201
Interest payable	6	(80,882)	(47,018)
Loss on ordinary activities before taxation		(155,853)	(1,743,554)
Tax on loss on ordinary activities	7	-	-
Loss for the financial year	15	(155,853)	(1,743,554)

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

BRAVADO LIMITED

BALANCE SHEET

AS AT 31 MAY 2011

	Notes	2011 £	£	2010 £	£
Fixed assets					
Tangible assets	8		-		300
Current assets					
Stock	9	323,522		294,091	
Debtors	10	3,478,456		2,016,512	
Cash at bank and in hand		17,808		98,680	
		<u>3,819,786</u>		<u>2,409,283</u>	
Creditors' amounts falling due within one year	11	<u>(3,281,061)</u>		<u>(2,215,005)</u>	
Net current assets			538,725		194,278
Total assets less current liabilities			538,725		194,578
Creditors' amounts falling due after more than one year	12		<u>(1,900,000)</u>		<u>(1,400,000)</u>
			<u>(1,361,275)</u>		<u>(1,205,422)</u>
Capital and reserves					
Called up share capital	14		1,200		1,200
Share premium account	15		74,800		74,800
Profit and loss account	15		<u>(1,437,275)</u>		<u>(1,281,422)</u>
Shareholders' funds	16		<u>(1,361,275)</u>		<u>(1,205,422)</u>

Approved by the Board and authorised for issue on 1 November 2011


 D A Green
 Director

Company Registration No. 01584795

BRAVADO LIMITED**CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 MAY 2011**

	£	2011 £	£	2010 £
Net cash outflow from operating activities		(500,328)		(1,336,647)
Returns on investments and servicing of finance				
Interest received	338		201	
Interest paid	(80,882)		(47,084)	
Net cash outflow for returns on investments and servicing of finance		(80,544)		(46,883)
Taxation		-		16,375
Capital expenditure				
Payments to acquire tangible assets	-		(1,750)	
Receipts from sales of tangible assets	-		145	
Net cash outflow for capital expenditure		-		(1,605)
Net cash outflow before management of liquid resources and financing		(580,872)		(1,368,905)
Financing				
Other new long term loans	500,000		1,400,000	
Net cash inflow from financing		500,000		1,400,000
(Decrease)/increase in cash in the year		(80,872)		31,240

BRAVADO LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MAY 2011

1 Reconciliation of operating loss to net cash outflow from operating activities	2011	2010
	£	£
Operating loss	(75,309)	(1,696,737)
Depreciation of tangible assets	300	6,306
(Increase)/decrease in stocks	(29,431)	205,772
(Increase)/decrease in debtors	(1,461,944)	3,265,266
Increase/(decrease) in creditors within one year	1,066,056	(3,117,254)
Net cash outflow from operating activities	(500,328)	(1,336,647)

2 Analysis of net debt	1 June 2010	Cash flow	31 May 2011
	£	£	£
Cash at bank and in hand	98,680	(80,872)	17,808
Debts falling due after one year	(1,400,000)	500,000	(1,900,000)
Net debt	(1,301,320)	(580,872)	(1,882,192)

3 Reconciliation of net cash flow to movement in net debt	2011	2010
	£	£
(Decrease)/increase in cash in the year	(80,872)	31,240
Cash inflow from increase in debt	(500,000)	(1,400,000)
Movement in net debt in the year	(580,872)	(1,368,760)
Opening net (debt)/funds	(1,301,320)	67,440
Closing net debt	(1,882,192)	(1,301,320)

BRAVADO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2011

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently

1.3 Going concern

The company meets its day to day working capital requirements through funds provided by its factors and extended credit terms granted by a major supplier. Furthermore, the directors consider that, having regard to the financial support of its major shareholder, it is appropriate to prepare the financial statements on a going concern basis

1.4 Turnover

Revenue is recognised when the goods are delivered to the extent that it is probable that economic benefits will flow into the Company and excludes value added tax

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on a straight line basis at the following annual rates in order to write off each asset over its estimated useful life

Plant and machinery	25%
Fixtures, fittings & equipment	20%/25%/33%

1.6 Stock

Stock is valued at the lower of cost and net realisable value

1.7 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax assets are recognised when it is more likely than not there will be suitable taxable profits from which the future reversal of the underlining timing differences can be deducted. Deferred tax balances are not discounted

1.8 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account

BRAVADO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MAY 2011****2 Turnover****Geographical market**

	2011	2010
	£	£
United Kingdom	7,203,636	4,313,822
Overseas	2,731,320	6,132,179
	<u>9,934,956</u>	<u>10,446,001</u>

3 Operating loss

	2011	2010
	£	£
Operating loss is stated after charging		
Depreciation of tangible assets	300	6,306
Exchange losses	6,360	14,316
Operating lease rentals	65,831	71,245
Provision for amount due from Bravado (UK) Limited	-	425,316
Auditors' remuneration	15,000	15,000
	<u>15,000</u>	<u>15,000</u>

4 Employees**Number of employees**

The average monthly number of employees (including directors) during the year was

	2011	2010
	Number	Number
Administrative and management	4	4
Marketing	28	35
	<u>32</u>	<u>39</u>

Employment costs

	2011	2010
	£	£
Wages and salaries	1,209,806	1,679,693
Social security costs	131,479	172,534
	<u>1,341,285</u>	<u>1,852,227</u>

BRAVADO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2011

5	Directors' emoluments	2011	2010
		£	£
	Emoluments	304,336	487,315
	Emoluments disclosed above include the following amounts paid to the highest paid director	182,373	252,670
6	Interest payable	2011	2010
		£	£
	On amounts payable to factors	79,461	45,179
	Other	1,421	1,839
		80,882	47,018
7	Taxation	2011	2010
	Current tax	-	-
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(155,853)	(1,743,554)
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2010 - 28.00%)	(43,639)	(488,195)
	Effects of		
	Non deductible expenses	2,064	1,394
	Excess of capital allowances over depreciation	(658)	348
	Provision for amount due from Bravado (UK) Limited	-	119,088
	Losses carried forward to future periods	42,233	367,365
		43,639	488,195
	Current tax	-	-

BRAVADO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2011

8 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 June 2010	11,898	109,524	121,422
Disposals	(2,577)	(37,859)	(40,436)
At 31 May 2011	9,321	71,665	80,986
Depreciation			
At 1 June 2010	11,898	109,224	121,122
On disposals	(2,577)	(37,859)	(40,436)
Charge for the year	-	300	300
At 31 May 2011	9,321	71,665	80,986
Net book value			
At 31 May 2011	-	-	-
At 31 May 2010	-	300	300

9 Stocks

	2011 £	2010 £
Raw materials and consumables	323,522	294,091

10 Debtors

	2011 £	2010 £
Trade debtors	2,165,364	1,257,867
Accrued income	881,886	680,642
Other debtors	351,272	37,896
Prepayments	79,934	40,107
	3,478,456	2,016,512

Other debtors include an amount due from Bravado (UK) Limited of £347,852 (2010 - £Nil). The directors believe that this amount will be recovered in full and accordingly no further provision is required.

BRAVADO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MAY 2011**

11 Creditors: amounts falling due within one year	2011	2010
	£	£
Trade creditors	758,128	422,691
Taxation and social security	315,797	102,772
Amounts owed to factors	1,573,624	893,615
Amounts owed to former director - A I Rose	44,031	109,000
Other creditors	84,625	30,243
Accruals	504,856	656,684
	<u>3,281,061</u>	<u>2,215,005</u>

Amounts owed to factors and to a former director are secured by debentures over the company's assets

12 Creditors: amounts falling due after more than one year	2011	2010
	£	£
Other loans	<u>1,900,000</u>	<u>1,400,000</u>

13 Financial commitments

At 31 May 2011 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 May 2012

	Land and buildings	
	2011	2010
	£	£
Operating leases which expire		
Within one year	2,704	-
Between two and five years	-	65,788
	<u>2,704</u>	<u>65,788</u>

14 Share capital	2011	2010
	£	£
Allotted, called up and fully paid		
1,200 Ordinary shares of £1 each	<u>1,200</u>	<u>1,200</u>

BRAVADO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2011

15 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 June 2010	74,800	(1,281,422)
Loss for the financial year	-	(155,853)
Balance at 31 May 2011	<u>74,800</u>	<u>(1,437,275)</u>

16 Reconciliation of movements in shareholders' funds

	2011 £	2010 £
Loss for the financial year	(155,853)	(1,743,554)
Opening shareholders' funds	<u>(1,205,422)</u>	<u>538,132</u>
Closing shareholders' funds	<u>(1,361,275)</u>	<u>(1,205,422)</u>

17 Related party disclosures

17.1 Transactions

Purchases, in the normal course of business amounting to £2,917,570 (2010 - £4,655,197), were made from Quality Asia Limited, a company in which a major shareholder of Bravado Limited, H W Young, has a significant interest

Management charges of £30,250 (2010 - £5,000) were received in the normal course of business from Bravado (UK) Limited, a company in which D A Green and H W Young have a significant interest

17.2 Balances

Other creditors include an amount due to Quality Asia Limited of £1,980,106 (2010 - £1,418,906), of which £1,900,000 (2010 - £1,400,000) was due after more than 1 year

Other debtors include an amount due from Bravado (UK) Limited of £347,852 (2010 - £Nil)