

Company Registration No. 1584795 (England and Wales)

BRAVADO LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2009

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BRAVADO LIMITED

COMPANY INFORMATION

Directors

A I Rose
S Rose
D A Green
S L Quinnell
N Hewitt
G Palmer

Secretary

S Rose

Company number

1584795

Registered office

5th Floor,
71 Kingsway,
London, WC2B 6ST.

Auditors

Wilson Wright & Co.
Chartered Accountants
71 Kingsway
London
WC2B 6ST

Bankers

Royal Bank of Scotland plc.

BRAVADO LIMITED

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BRAVADO LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2009

The directors present their annual report and financial statements for the year ended 31 May 2009.

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:

Although turnover has increased, losses were incurred due to the current economic conditions and exceptional bad debts amounting to £114,440 being suffered from two overseas suppliers despite successful legal action being taken against one of them. The directors aim to return to profitability with further substantial overhead savings and continuing to source production from the most advantageous markets worldwide. They consider that with these initiatives, they will be in a good position to address and turn around the trading pattern going forward.

Key financial highlights:

	2009	2008	2007
Turnover	£12,090,118	£10,530,320	£12,730,921
Turnover growth / (reduction)	15%	(17%)	4%
Operating loss	£246,438	£221,006	£4,079

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.

Dividends

No dividend was proposed or paid during the year (2008 - £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 2008:

A I Rose

S Rose

D A Green

(Appointed 13 November 2008)

S L Quinnell

N Hewitt

G Palmer

Charitable contributions

During the year the company made charitable donations of £840 (2008 - £4,285).

BRAVADO LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2009

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 & Co. will be proposed for re-appointment in accordance with Section 485 of the Companies Act 2006.

On behalf of the board



G Palmer

Director

10-11-2009

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 2009 set out on pages 5 to 16. 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 sections 495 and 496 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 in the Directors' Report, 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 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.

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 2009 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 - debt recoverability

In forming our opinion, we have considered the adequacy of the disclosures made in note 10 of the financial statements concerning a debt due to the company of £417,015. 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 & Co.

Chartered Accountants

Statutory Auditor

71 Kingsway

London

WC2B 6ST

10/11/09

BRAVADO LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 2009**

	Notes	2009 £	2008 £
Turnover	2	12,090,118	10,530,320
Cost of sales		(10,395,363)	(9,170,487)
Gross profit		1,694,755	1,359,833
Administrative expenses		(2,047,283)	(1,736,909)
Other operating income		106,090	156,070
Operating loss	3	(246,438)	(221,006)
Interest receivable		18,116	27,727
Interest payable	6	(58,639)	(107,199)
Loss on ordinary activities before taxation		(286,961)	(300,478)
Tax on loss on ordinary activities	7	16,375	(485)
Loss for the financial year	14	(270,586)	(300,963)

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 2009

	Notes	2009 £	£	2008 £	£
Fixed assets					
Tangible assets	8		5,001		14,476
Current assets					
Stocks	9	499,863		420,121	
Debtors	10	5,298,153		3,686,513	
Cash at bank and in hand		67,440		8,230	
		<u>5,865,456</u>		<u>4,114,864</u>	
Creditors: amounts falling due within one year	11	<u>(5,332,325)</u>		<u>(3,320,622)</u>	
Net current assets			533,131		794,242
Total assets less current liabilities			<u>538,132</u>		<u>808,718</u>
Capital and reserves					
Called up share capital	13		1,200		1,200
Share premium account	14		74,800		74,800
Profit and loss account	14		462,132		732,718
Shareholders' funds	15		<u>538,132</u>		<u>808,718</u>

Approved by the Board and authorised for issue on 10-11-2009

A I Rose
Director

Company Registration No. 1584795

BRAVADO LIMITED**CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 MAY 2009**

	£	2009 £	£	2008 £
Net cash inflow / (outflow) from operating activities		1,297,461		(9,682)
Returns on investments and servicing of finance				
Interest received	18,116		27,727	
Interest paid	(77,149)		(110,573)	
Net cash outflow from returns on investments and servicing of finance		(59,033)		(82,846)
Taxation				
Corporation tax refunded		-		15,020
Increase / (decrease) in cash		1,238,428		(77,508)

BRAVADO LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MAY 2009

1 Reconciliation of operating loss to net cash inflow/(outflow) from operating activities	2009	2008
	£	£
Operating loss	(246,438)	(221,006)
Depreciation of tangible assets	9,475	12,652
Increase in stocks	(79,742)	(13,864)
(Increase)/decrease in debtors	(1,595,265)	1,603,920
Increase/(decrease) in creditors within one year	3,209,431	(1,391,384)
Net cash inflow/(outflow) from operating activities	1,297,461	(9,682)

2 Analysis of net funds/(debt)	1 June 2008	Cash flow	31 May 2009
	£	£	£
Net cash:			
Cash at bank and in hand	8,230	59,210	67,440
Bank overdraft	(1,179,218)	1,179,218	-
Net (debt)/funds	(1,170,988)	1,238,428	67,440

3 Reconciliation of net cash flow to movement in net funds/(debt)	2009	2008
	£	£
Increase/(decrease) in cash in the year	1,238,428	(77,508)
Movement in net funds/(debt) in the year	1,238,428	(77,508)
Opening net debt	(1,170,988)	(1,093,480)
Closing net funds/(debt)	67,440	(1,170,988)

BRAVADO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2009

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 support of its major shareholder, it is appropriate to prepare the financial statements on the going concern basis.

1.4 Turnover

Turnover represents the value of goods sold, net of discounts and 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 profit and loss account.

BRAVADO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 MAY 2009**2 Turnover****Geographical market**

	2009 £	2008 £
United Kingdom	10,998,964	9,795,755
Overseas	1,091,154	734,565
	<u>12,090,118</u>	<u>10,530,320</u>

3 Operating loss

	2009 £	2008 £
Operating loss is stated after charging:		
Depreciation of tangible assets	9,475	12,652
Exchange losses / (gains)	9,549	(15,900)
Operating lease rentals	102,362	60,840
Bad debts	132,890	7,965
Auditors' remuneration	15,000	14,000
	<u>159,276</u>	<u>78,557</u>

4 Employees**Number of employees**

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

	2009 Number	2008 Number
Administrative and management	5	5
Marketing	28	27
	<u>33</u>	<u>32</u>

Employment costs

	2009 £	2008 £
Wages and salaries	1,366,800	1,281,842
Social security costs	149,577	140,327
	<u>1,516,377</u>	<u>1,422,169</u>

BRAVADO LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 MAY 2009

5	Directors' emoluments	2009	2008
		£	£
	Emoluments	<u>423,475</u>	<u>276,208</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2008 - 1).

Emoluments disclosed above include the following amounts paid to the highest paid director

<u>137,468</u>	<u>92,441</u>
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6	Interest payable	2009	2008
		£	£
	On bank overdraft	32,942	89,784
	On amounts payable to factors	24,359	-
	Other	1,338	17,415
		<u>58,639</u>	<u>107,199</u>

BRAVADO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2009

7	Taxation	2009 £	2008 £
	Domestic current year tax		
	U.K. corporation tax	(16,375)	-
	Adjustment for prior years	-	485
	Current tax credit / charge	<u>(16,375)</u>	<u>485</u>
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	<u>(286,961)</u>	<u>(300,478)</u>
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2008 - 30.00%)	<u>(80,349)</u>	<u>(90,143)</u>
	Effects of:		
	Non deductible expenses	1,337	2,960
	Excess of depreciation over capital allowances	1,484	1,799
	Adjustments to previous periods	-	485
	Other tax differences	(2,375)	-
	Losses carried forward to future periods	63,528	85,384
		<u>63,974</u>	<u>90,628</u>
	Current tax credit / charge	<u>(16,375)</u>	<u>485</u>

A potential deferred tax asset of approximately £145,000 (2008 - £81,000) has not been recognised as its future recovery is considered uncertain.

BRAVADO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2009

8 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 June 2008 & at 31 May 2009	13,428	131,221	144,649
Depreciation			
At 1 June 2008	12,047	118,126	130,173
Charge for the year	1,236	8,239	9,475
At 31 May 2009	13,283	126,365	139,648
Net book value			
At 31 May 2009	145	4,856	5,001
At 31 May 2008	1,381	13,095	14,476

9 Stocks

	2009 £	2008 £
Raw materials and consumables	499,863	420,121

BRAVADO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2009

10 Debtors	2009	2008
	£	£
Trade debtors	3,155,342	1,227,445
Accrued income	1,631,739	1,682,221
Corporation tax	16,375	-
Other debtors	446,447	745,786
Prepayments	48,250	31,061
	<u>5,298,153</u>	<u>3,686,513</u>

Amounts falling due after more than one year and included in debtors above are:

	2009	2008
	£	£
Other debtors	<u>250,000</u>	<u>250,000</u>

Other debtors include an amount due from Bravado (UK) Limited of £417,015 (2008 - £703,077). The directors believe that the debt will be recovered in full and accordingly, no provision is required.

11 Creditors: amounts falling due within one year	2009	2008
	£	£
Bank overdraft	-	1,179,218
Trade creditors	1,662,378	774,198
Taxation and social security	328,169	84,338
Amounts owed to factors	1,950,840	-
Amounts owed to director - A I Rose	286,704	204,931
Other creditors	5,415	8,009
Accruals	1,098,819	1,069,928
	<u>5,332,325</u>	<u>3,320,622</u>

The bank overdraft was secured by a debenture over the company's assets.

Amounts owed to factors and to A I Rose are secured by debentures over the company's assets.

BRAVADO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2009

12 Financial commitments

At 31 May 2009 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 May 2010:

	Land and buildings	
	2009	2008
	£	£
Operating leases which expire:		
Between two and five years	65,788	-

13 Share capital

	2009	2008
	£	£
Authorised		
100,000 Ordinary shares of £1 each	100,000	100,000
Allotted, called up and fully paid		
1,200 Ordinary shares of £1 each	1,200	1,200

14 Statement of movements on reserves

	Share premium account	Profit and loss account
	£	£
Balance at 1 June 2008	74,800	732,718
Loss for the financial year	-	(270,586)
Balance at 31 May 2009	74,800	462,132

15 Reconciliation of movements in shareholders' funds

	2009	2008
	£	£
Loss for the financial year	(270,586)	(300,963)
Opening shareholders' funds	808,718	1,109,681
Closing shareholders' funds	538,132	808,718

BRAVADO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2009

16 Related party disclosures

16.1 Control

The company is controlled by A I Rose.

16.2 Transactions

During the year stock and work in progress amounting to £87,000 (2008 - £Nil) was acquired from the administrator of The Alert Clothing Co Limited.

During the year management charges of £86,090 (2008 - £136,070) and £20,000 (2008 - £20,000) were received in the normal course of business from The Alert Clothing Co Limited and Bravado (UK) Limited respectively.

During the year management charges of £8,600 (2008 - £Nil) were payable in the normal course of business to Global Face Limited.

During the year interest of £16,761 (2008 - £23,457) was received from Bravado (UK) Limited.

During the year interest of £Nil (2008 - £9,622) and £Nil (2008 - £7,793) was paid to The Alert Clothing Co Limited and A I Rose respectively.

A I Rose has a material interest in Bravado (UK) Limited, The Alert Clothing Co Limited and Global Face Limited.

16.3 Balances

Other debtors include amounts due from The Alert Clothing Co Limited and Bravado (UK) Limited of £29,432 (2008 - £4,003) and £417,015 (2008 - £703,077) respectively. The amounts due from The Alert Clothing Co Limited is after a bad debt provision of £20,000 (2008 - £Nil).

Accruals include an amount due to Global Face Limited of £8,600 (2008 - £Nil).

16.4 Guarantees

The company's obligations under the factoring agreement are guaranteed by A I Rose up to a maximum of £250,000.