

**BTQ Limited**  
**FINANCIAL STATEMENTS**  
for the year ended  
31 December 2008



# BTQ Limited

## OFFICERS AND PROFESSIONAL ADVISERS

---

### DIRECTORS

P R Warr (Chairman)  
A D Dorrell  
I P Mitchell (Appointed 1 January 2009)  
Mrs C I Dorrell  
Mrs A C James

### SECRETARY

A J Ring

### AUDITOR

Baker Tilly UK Audit LLP  
Chartered Accountants  
Hartwell House  
55-61 Victoria Street  
Bristol  
BS1 6AD

### BANKERS

Barclays Bank PLC  
Park House  
Newbrick Road  
Stoke Gifford  
Bristol  
BS34 8ZT

### REGISTERED OFFICE

Wathen Street  
Staple Hill  
Bristol  
BS16 5LL

# BTQ Limited

## DIRECTORS' REPORT

---

The directors submit their report and consolidated financial statements of BTQ Limited for the year ended 31 December 2008.

### PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The group's principal activities during the year continued to be the design, manufacture, supply and care of garments for people at work. The directors consider the results for the year to be satisfactory.

### RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,197,000 (2007: £926,000). The directors recommended and paid a dividend amounting to £31,800 (2007: £25,440) during the year, and since the balance sheet date have proposed a final dividend of £108,120 (2007: £101,760) in respect of the year's results.

### PRINCIPAL RISKS

The board, via the boards of the operating companies, considers the principal risks of the business as follows:

#### Market Conditions

Good working relations are maintained with both the group's supply chain and customers in order to monitor market changes. In each market, competitor's performance, products and services are monitored.

Each company monitors the proportion of its turnover with its largest customers to ensure that the company does not become over dependant on any single customer or group of companies.

#### Fixed Assets

Authority limits are set by the boards annually and monitored throughout the year for the purchase of fixed assets. Appropriate security arrangements and insurances are in place.

#### Debtors and Credit Risk

The principal risk arises from trade debtors. Credit limits and credit terms are based on a combination of payment history and third party credit references. Where relevant, overseas debtor risks are insured by an appropriate insurance policy. All credit limits are reviewed regularly taking account of debt ageing and credit history. Credit control procedures are in place at order entry and despatch stages.

The boards believe that the above controls and spread of customers are a safeguard against the risk of default.

#### Stocks

Authorisation limits are in place for the purchase of raw materials together with appropriate reorder levels. All categories of stock are monitored frequently to take account of market changes and customers' requirements.

Ageing of stock is closely monitored and due allowance made for obsolete and slow moving items. Insurance covers are in place for stocks.

#### Exchange Rates

Each board, as appropriate, monitors at least monthly its currency exposure. Suitable forward exchange contracts are placed to minimise the effects of exchange rate movements.

### DIRECTORS

I P Mitchell was appointed a director on 1 January 2009. The current directors are shown on page 1.

### CHARITABLE AND POLITICAL CONTRIBUTIONS

During the year the group made no political donations but did make various charitable donations totalling £3,200 (2007: £615).

# BTQ Limited

## DIRECTORS' REPORT *(continued)*

---

### DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual 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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. 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.

### PROVISION OF INFORMATION TO THE AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all of the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

### AUDITOR

A resolution to reappoint Baker Tilly UK Audit LLP, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

By order of the Board

A.J. Ring

A J Ring  
Secretary

Date: 1 July 2009

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BTQ LIMITED

---

We have audited the financial statements on pages 5 to 22.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditor's 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**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Director's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

## **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## **Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and parent company's affairs as at 31 December 2008 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

*Baker Tilly UK Audit LLP*

Baker Tilly UK Audit LLP  
Registered Auditor  
Chartered Accountants  
Hartwell House  
55-61 Victoria Street  
Bristol  
BS1 6AD

Date: 10 July 2009

# BTQ Limited

## GROUP PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2008

	<i>Notes</i>	2008 £'000	2007 £'000
TURNOVER	2	22,110	17,852
Other operating income		42	13
Operating costs		(20,110)	(16,388)
Share of profits distributed to employees		(325)	(214)
OPERATING PROFIT	3	1,717	1,263
Interest receivable and similar income	4	92	111
Interest payable and similar charges	5	(13)	(15)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,796	1,359
Tax on profit on ordinary activities	8	(599)	(433)
PROFIT FOR THE FINANCIAL YEAR	20	1,197	926

The result for the year arises from the group's continuing operations.

## GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

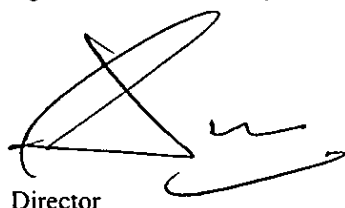
for the year ended 31 December 2008

		2008 £'000	2007 £'000
Profit for the financial year attributable to members of the parent company		1,197	926
Exchange difference on retranslation of net assets of subsidiary undertakings	20	2,024	(85)
Total recognised gains and losses relating to the year		3,221	841

**BTQ Limited**  
**GROUP BALANCE SHEET**  
at 31 December 2008

	<i>Notes</i>	2008 £'000	2007 £'000
<b>FIXED ASSETS</b>			
Intangible assets	10	536	609
Tangible assets	11	2,427	1,834
		<u>2,963</u>	<u>2,443</u>
<b>CURRENT ASSETS</b>			
Stocks	13	5,452	4,263
Debtors	14	5,357	3,588
Cash at bank and in hand		3,381	2,639
		<u>14,190</u>	<u>10,490</u>
<b>CREDITORS: amounts falling due within one year</b>	15	(3,197)	(1,948)
<b>NET CURRENT ASSETS</b>		<u>10,993</u>	<u>8,542</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>13,956</u>	<u>10,985</u>
<b>CREDITORS: amounts falling due after more than one year</b>	16	(3)	(71)
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	18	(501)	(549)
		<u>13,452</u>	<u>10,365</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	25	25
Share premium	20	48	48
Capital redemption reserve	20	1	1
Capital reserve	20	226	226
Profit and loss account	20	13,152	10,065
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>13,452</u>	<u>10,365</u>

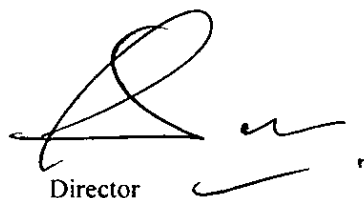
These financial statements were approved by the directors and authorised for issue on 1 July 2009 and signed on their behalf by:

  
Director

**BTQ Limited**  
**COMPANY BALANCE SHEET**  
at 31 December 2008

	<i>Notes</i>	2008 £'000	2007 £'000
<b>FIXED ASSETS</b>			
Investments	12	4,858	4,859
<b>CURRENT ASSETS</b>			
Debtors	14	4	4
Cash at bank and in hand		2,605	858
		2,609	862
<b>CREDITORS: amounts falling due within one year</b>	15	(1,307)	(1,289)
<b>NET CURRENT ASSETS / (LIABILITIES)</b>		1,302	(427)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		6,160	4,432
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	25	25
Share premium	20	48	48
Capital redemption reserve	20	1	1
Profit and loss account	20	6,086	4,358
<b>EQUITY SHAREHOLDERS' FUNDS</b>		6,160	4,432

These financial statements were approved by the directors and authorised for issue on ..... 1 July 2009 ..... and signed on their behalf by:

  
Director



# BTQ Limited

## GROUP CASH FLOW STATEMENT

for the year ended 31 December 2008

	<i>Notes</i>	2008 £'000	2007 £'000
NET CASH INFLOW FROM OPERATING ACTIVITIES	21	1,431	1,142
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		92	111
Interest paid		(13)	(15)
		79	96
TAXATION			
Corporation tax paid		(637)	(388)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Payments to acquire tangible fixed assets		(383)	(294)
Payments to acquire intangible fixed assets		-	(10)
Receipts from sale of tangible fixed assets		4	1
		(379)	(303)
EQUITY DIVIDENDS PAID	9	(134)	(127)
NET CASH INFLOW BEFORE MANAGEMENT OF LIQUID RESOURCES AND FINANCING		360	420
FINANCING			
Repayment of capital element of finance leases and hire purchase contracts		(97)	(92)
Issue of ordinary share capital		-	49
Purchase of own shares		-	(49)
NET CASH OUTFLOW FROM FINANCING		(97)	(92)
INCREASE IN CASH	21	263	328

# BTQ Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2008

---

### 1 ACCOUNTING POLICIES

#### BASIS OF PREPARATION

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

#### BASIS OF CONSOLIDATION

The group financial statements consolidate the financial statements of BTQ Limited and all its subsidiary undertakings drawn up to 31 December each year. No profit and loss account is presented for BTQ Limited as permitted by section 230 of Companies Act 1985.

#### GOODWILL

Goodwill arising on acquisitions prior to 31 December 1997 was set off directly against reserves. Goodwill previously eliminated against reserves has not been reinstated on implementation of FRS 10.

Positive goodwill arising on acquisitions since 1 January 1998 is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life up to a presumed maximum of 20 years. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

If a subsidiary, associate or business is subsequently sold or closed, any goodwill arising on acquisition that was written off directly to reserves or that has not been amortised through the profit and loss account is taken into account in determining the profit or loss on sale or closure.

#### FIXED ASSETS AND DEPRECIATION

All fixed assets are initially recorded at cost.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost of each asset over its expected useful life as follows:

Freehold buildings	-	40-50 years
Plant, equipment and vehicles	-	3-10 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

#### INVESTMENTS

Investments in subsidiary undertakings are recorded at cost. Short term investments, which represent the cash value of insurance policies purchased by subsidiary undertakings together with certain tangible assets held for re-sale, are stated at the lower of cost and net realisable value and depreciated cost respectively.

# BTQ Limited

## NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 December 2008

---

### 1 ACCOUNTING POLICIES *(continued)*

#### LONG TERM CONTRACTS

Long term contracts are assessed on a contract by contract basis and reflected in the profit and loss account by recording turnover and related costs as contract activity progresses. Turnover is ascertained in a manner appropriate to the stage of completion of the contract, and credit taken for profit earned to date when the outcome of the contract can be assessed with reasonable certainty. The amount by which turnover exceeds payments on account is classified as "amounts recoverable on contracts" and included in debtors; to the extent that payments on account exceed relevant turnover, the excess is included as a creditor.

#### HIRE PURCHASE

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

#### FINANCE LEASE AGREEMENTS

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

#### STOCKS

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

Raw materials, consumables and goods for resale	-	purchase cost on a first-in, first-out basis
Work in progress and finished goods	-	cost of direct materials and labour plus attributable overheads based on a normal level of activity.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

#### DEFERRED TAXATION

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or a right to pay less tax in the future have occurred, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

Deferred tax is measured on an undiscounted basis at the rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantially enacted at the balance sheet date.

# BTQ Limited

## NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 December 2008

---

### 1 ACCOUNTING POLICIES *(continued)*

#### FOREIGN CURRENCIES

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities at the balance sheet date are translated at the rate of exchange ruling at the balance sheet date.

On consolidation, the balance sheets of the overseas subsidiary undertakings are translated at the rate of exchange ruling at the balance sheet date and the profit and loss accounts are translated at the average rate for the year. The exchange difference arising on the retranslation of opening net assets is taken directly to reserves. All other translation differences are taken to the profit and loss account.

#### OPERATING LEASES

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

#### PENSION AND OTHER POST RETIREMENT BENEFITS

Only defined contribution schemes are operated. The assets of these schemes are held separately from those of the group. The annual contributions payable are charged to the profit and loss account.

### 2 TURNOVER

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties. Turnover is attributable to one continuing activity, the design, manufacture, supply, and care of garments for people at work.

An analysis of turnover is given below:

	2008 £'000	2007 £'000
United Kingdom	6,301	4,737
Overseas	15,809	13,115
	<u>22,110</u>	<u>17,852</u>

The directors have taken advantage of the exemption permitted by SSAP25 Segmental Reporting, whereby the results of the Group have not been disclosed by segment since it is believed such a disclosure would be seriously prejudicial to the interests of the Group.

# BTQ Limited

## NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 December 2008

### 3 OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2008 £'000	2007 £'000
Depreciation of owned fixed assets	222	577
Depreciation of leased assets	-	119
Amortisation of goodwill	61	64
Loss on sale of fixed assets	35	-
Impairment of goodwill	122	-
Auditor's remuneration		
- audit services	25	25
- tax compliance services	5	12
- other services	15	15
Operating lease rentals	106	68
- plant and machinery	32	30
- land and buildings		
Foreign exchange gains	(57)	(53)

### 4 INTEREST RECEIVABLE AND SIMILAR INCOME

	2008 £'000	2007 £'000
Bank interest	92	111

### 5 INTEREST PAYABLE AND SIMILAR CHARGES

	2008 £'000	2007 £'000
Bank loans and overdrafts	4	1
Finance charges	9	14
	13	15

### 6 DIRECTORS' EMOLUMENTS

	2008 £'000	2007 £'000
Emoluments (excluding pension contributions)	166	154
Members of defined contribution schemes	-	-

# BTQ Limited

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 December 2008

### 7 STAFF COSTS

	2008 £'000	2007 £'000
Wages and salaries	5,151	4,473
Social security costs	470	405
Other pension costs	134	127
	<u>5,755</u>	<u>5,005</u>

The average number monthly of employees during the year was made up as follows:

	2008 No	2007 No
Sales and administration	64	62
Production	266	258
	<u>330</u>	<u>320</u>

### 8 TAX ON PROFIT ON ORDINARY ACTIVITIES

<i>Group</i>	2008 £'000	2007 £'000
UK corporation tax:		
Current tax on income for the year	377	317
Adjustment in respect of prior years	-	(39)
Foreign tax:		
Current tax on income for the year	311	249
Total current tax	<u>688</u>	<u>527</u>
Deferred tax (note 18):		
Movement in year	(48)	(94)
Adjustment in respect of prior years	(41)	-
	<u>599</u>	<u>433</u>

# BTQ Limited

## NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 December 2008

### 8 TAX ON PROFIT ON ORDINARY ACTIVITIES *(continued)*

Factors affecting the tax charge for the year:

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK. The differences are explained below:

	2008 £'000	2007 £'000
Profit on ordinary activities before tax	1,796	1,359
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28.5 % (2007: 30%)	512	408
Effect of:		
Disallowed expenses and non-taxable income	13	2
Depreciation in excess of capital allowances, and other short term timing differences	65	88
Adjustments in respect of previous years	-	(39)
Tax differential on overseas earnings	98	68
Current tax charge for the year	688	527

### 9 DIVIDENDS

	2008 £'000	2007 £'000
Equity dividends on ordinary shares:		
Final dividend in respect of prior year	102	102
Interim dividend in respect of current year	32	25
	134	127

Since the balance sheet date the directors have proposed dividends totalling £108,120 (2007: £101,760) in respect of the year's results. Those dividends are not recognised as a liability at the balance sheet date.

# BTQ Limited

## NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2008

### 10 INTANGIBLE FIXED ASSETS

<i>Group</i>	<i>Goodwill</i>
Cost:	£'000
At 1 January 2008	1,006
Foreign exchange	161
	<u>1,167</u>
At 31 December 2008	<u>1,167</u>
Amortisation:	
At 1 January 2008	397
Foreign exchange	51
Provided in the year (including impairment charges)	183
	<u>631</u>
At 31 December 2008	<u>631</u>
Net book value:	
At 31 December 2008	536
At 31 December 2007	<u>609</u>

#### *Company*

The company held no intangible fixed assets during the year or at the year end.

### 11 TANGIBLE FIXED ASSETS

<i>Group</i>	<i>Freehold land and buildings £'000</i>	<i>Plant equipment and vehicles £'000</i>	<i>Total £'000</i>
Cost:			
At 1 January 2008	1,576	4,682	6,258
Exchange adjustments	421	516	937
Additions	63	320	383
Disposals	-	(124)	(124)
	<u>2,060</u>	<u>5,394</u>	<u>7,454</u>
At 31 December 2008	<u>2,060</u>	<u>5,394</u>	<u>7,454</u>
Depreciation:			
At 1 January 2008	317	4,107	4,424
Exchange adjustments	95	371	466
Charge for the year	81	141	222
Disposals	-	(85)	(85)
	<u>493</u>	<u>4,534</u>	<u>5,027</u>
At 31 December 2008	<u>493</u>	<u>4,534</u>	<u>5,027</u>
Net book value			
At 31 December 2008	<u>1,567</u>	<u>860</u>	<u>2,427</u>
At 31 December 2007	<u>1,259</u>	<u>575</u>	<u>1,834</u>

Freehold land and buildings includes £475,000 (2007: £475,000) in respect of land which is not depreciated.

Included within the above are assets with a total net book value of £nil (2007: £37,000) that are held under hire purchase or finance lease agreements.

#### *Company*

The company held no tangible fixed assets during the year or at the year end.



# BTQ Limited

## NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 December 2008

### 12 INVESTMENTS

<i>Company</i>	<i>Subsidiary undertakings £'000</i>
Cost and net book value:	
At 1 January 2008	4,859
Disposals	(1)
	<hr/>
At 31 December 2008	4,858
	<hr/>

The company has shareholdings (either direct or indirect) at 31 December 2008 in the following wholly owned subsidiary undertakings:

Company	Registered	Class of Share	Business
BTQ Holdings Limited	England and Wales	Ordinary	Dormant
Bristol Uniforms Limited	England and Wales	Ordinary	Garment supply
Bufire Overseas Limited **	England and Wales	Ordinary	Dormant
Bristol Care Limited **	England and Wales	Ordinary	Dormant
BTQ Inc	Kentucky	Common	Holding company
Topps Safety Apparel Inc *	Kentucky	Common	Garment supply
Bristol Fire Apparel Inc *	Indiana	Common	Garment supply
Quaker Safety Products Corporation *	Pennsylvania	Common	Garment supply

\* Held by BTQ Inc.

\*\* Held by Bristol Uniforms Limited

An investment in Bristol Managed Services (Holdings) Limited was dissolved during the year under review. The company was incorporated in 2007 and was dormant until it was dissolved.

### 13 STOCKS

<i>Group</i>	2008 £'000	2007 £'000
Raw materials and consumables	2,308	1,863
Work in progress	1,169	784
Finished goods	1,975	1,616
	<hr/>	<hr/>
	5,452	4,263
	<hr/>	<hr/>

The difference between purchase price or production cost of stocks and their replacement costs is not material.

#### *Company*

The company held no stocks during the year or at the year end.

# BTQ Limited

## NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2008

### 14 DEBTORS

<i>Group</i>	2008 £'000	2007 £'000
Trade debtors	3,910	2,769
Other debtors	225	111
Prepayments and accrued income	993	520
Deferred tax asset (note 18)	229	188
	<u>5,357</u>	<u>3,588</u>

<i>Company</i>	2008 £'000	2007 £'000
Other debtors	4	4
	<u>4</u>	<u>4</u>

The deferred tax asset is recoverable after more than one year.

### 15 CREDITORS: Amounts falling due within one year

<i>Group</i>	2008 £'000	2007 £'000
Bank overdraft	300	41
Finance leases	66	97
Trade creditors	1,064	722
Corporation tax	245	201
Other taxes and social security costs	81	65
Accruals and deferred income	1,441	822
	<u>3,197</u>	<u>1,948</u>

During the prior year, a US subsidiary company had two lines of credit totalling US\$2m with a bank limited to specified trade debtors and stock of which nil was outstanding at the year end. This line of credit was allowed to expire during the year under review. Borrowings against this line of credit bore interest at the US prime rate less 0.75%, were secured against debtors, stock and equipment, and were repayable on demand.

Another of the US subsidiaries has a line of credit of US\$0.5m (2007: US\$0.5m) available to it which incurs an interest charge at the US prime rate. No borrowings had been made against this line of credit at 31 December 2008 (2007: nil). Any borrowings are secured against that company's assets.

<i>Company</i>	2008 £'000	2007 £'000
Amounts owed to group undertakings	1,272	1,266
Accruals and deferred income	25	23
Corporation tax	10	-
	<u>1,307</u>	<u>1,289</u>

# BTQ Limited

## NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 December 2008

### 16 CREDITORS: Amounts falling due after more than one year

<i>Group</i>	2008 £'000	2007 £'000
Accruals and deferred income	3	5
Finance leases	-	66
	<u>3</u>	<u>71</u>

#### *Company*

The company had no creditors falling due in more than one year at the year end.

### 17 BORROWINGS

The Group is party to a number of finance lease agreements which incur interest at variable rates and are secured against the underlying assets. They are due for repayment as follows:

	2008 £'000	2007 £'000
Amounts falling due within one year	66	97
In two to five years	-	66
	<u>66</u>	<u>163</u>

### 18 PROVISIONS FOR LIABILITIES AND CHARGES

<i>Group</i>	2008 £'000	2007 £'000
<b>Deferred taxation</b>		
At 1 January	361	455
Adjustment in respect of prior years	(41)	(94)
Movement in year	(48)	-
Net deferred tax as at 31 December	<u>272</u>	<u>361</u>

#### *Presented as follows:*

Included in liabilities	501	549
Included in debtors	(229)	(188)
Net deferred tax as at 31 December	<u>272</u>	<u>361</u>

Deferred taxation provided in the accounts and the full potential liability consists of:

	2008 £'000	2007 £'000
Accelerated capital allowances	(195)	(170)
Short term timing differences	(34)	(18)
Overseas short term timing differences	501	549
	<u>272</u>	<u>361</u>

#### *Company*

The company had no deferred tax provisions during the year or at the year end.

# BTQ Limited

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 December 2008

### 19 SHARE CAPITAL

2008 & 2007  
£'000

*Authorised*

50,000 (2007: 50,000) Ordinary shares of £1 each

50

2008 & 2007  
£'000

*Allotted, called up and fully paid*

25,440 (2007: 25,440) Ordinary shares of £1 each

25

On 26 June 2007 the company repurchased 548 ordinary £1 shares for £49,320.

On 23 November 2007 the company issued 548 ordinary £1 shares at a premium of £89 per share.

### 20 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

<i>Group</i>	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital reserve £'000	Profit and loss account £'000	Total shareholders' funds £'000
At 1 January 2007	25	-	-	226	9,400	9,651
Profit for the year	-	-	-	-	926	926
Purchases of own shares	(1)	-	1	-	(49)	(49)
Share issue	1	48	-	-	-	49
Exchange adjustments	-	-	-	-	(85)	(85)
Dividends	-	-	-	-	(127)	(127)
At 1 January 2008	25	48	1	226	10,065	10,365
Profit for the year	-	-	-	-	1,197	1,197
Exchange adjustments	-	-	-	-	2,024	2,024
Dividends	-	-	-	-	(134)	(134)
At 31 December 2008	25	48	1	226	13,152	13,452

# BTQ Limited

## NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 December 2008

### 20 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES *(continued)*

<i>Company</i>	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total shareholders' funds £'000
At 1 January 2007	25	-	-	4,532	4,557
Profit for the year	-	-	-	2	2
Purchase of own shares	(1)	-	1	(49)	(49)
Share issue	1	48	-	-	49
Dividends	-	-	-	(127)	(127)
At 1 January 2008	25	48	1	4,358	4,432
Profit for the year	-	-	-	1,862	1,862
Dividends	-	-	-	(134)	(134)
At 31 December 2008	25	48	1	6,086	6,160

As permitted by section 230 of Companies Act 1985 the profit and loss account of the parent company is not presented as part of these accounts. The profit on ordinary activities after taxation for the financial year dealt with in the accounts of the company amounted to £1,862,000 (2007: £2,000).

### 21 CASH FLOW STATEMENT

#### a) Reconciliation of operating profit to net cash inflow from operating activities

	2008 £'000	2007 £'000
Operating profit	1,717	1,263
Depreciation charges	222	696
Amortisation of goodwill	61	64
Impairment of goodwill	122	-
Loss on sale of fixed assets	35	-
Movement in stocks	(1,189)	(314)
Movement in debtors	(1,728)	(435)
Movement in creditors	975	(75)
Exchange gain / (loss)	1,216	(57)
Net cash inflow from operating activities	1,431	1,142

# BTQ Limited

## NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 December 2008

### 21 CASH FLOW STATEMENT *(continued)*

#### b) Reconciliation of net cash flow to movement in net cash

	2008 £'000	2007 £'000
Increase in cash	263	328
Repayment of capital element of finance leases and hire purchase contracts	97	92
<b>MOVEMENT IN NET CASH</b>	<b>360</b>	<b>420</b>
Translation difference	220	-
<b>MOVEMENT IN FUNDS IN THE YEAR</b>	<b>580</b>	<b>-</b>
<b>NET CASH AT 1 JANUARY</b>	<b>2,435</b>	<b>2,015</b>
<b>NET CASH AT 31 DECEMBER</b>	<b>3,015</b>	<b>2,435</b>

#### c) Analysis of net cash

	At 1 January 2008 £'000	Cashflow £'000	Exchange movement £'000	At 31 December 2008 £'000
Cash at bank and in hand	2,639	742	220	3,381
Bank overdrafts	(41)	(259)	-	(300)
<b>Cash</b>	<b>2,598</b>	<b>483</b>	<b>220</b>	<b>3,081</b>
Finance lease and hire purchase contracts	(163)	97	-	(66)
	<b>2,435</b>	<b>580</b>	<b>220</b>	<b>3,015</b>

### 22 CAPITAL COMMITMENTS

Amount contracted for but not provided in the group financial statements amounted to £49,000 (2007: £191,247).

### 23 OPERATING LEASE COMMITMENTS

At 31 December 2008 the group had annual commitments under non-cancellable operating leases set out below:

	Land and Buildings		Other	
	2008 £'000	2007 £'000	2008 £'000	2007 £'000
Leases expiring:				
Within one year	32	-	75	35
In two to five years	-	30	51	33
In over five years	-	-	-	-
	<b>32</b>	<b>30</b>	<b>126</b>	<b>68</b>

The Group enters into agreements whereby purchases of materials within a fixed period will be at a fixed price. The value of the outstanding, unprovided commitments at year-end was £1.9m.

# BTQ Limited

## NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 December 2008

---

### 24 PENSION SCHEMES

The group operates two pension schemes.

In the UK a defined contribution scheme is operated. The assets of the scheme are held separately from those of the group. The contributions to the scheme are charged to the profit and loss account as they become payable.

The US trading subsidiary operates an elective contribution plan, in which the subsidiary contributes an amount of 25% of the employees' contributions up to 5% of their compensation.

### 25 CONTINGENT LIABILITIES

A US subsidiary has had a product liability lawsuit brought against it specifying an asbestos related liability. As the company has never manufactured any product containing asbestos, management believe the claim is without merit and therefore has not provided any sums with regard to this claim.

The company has also had a product liability lawsuit brought against it specifying personal injuries caused by the defective manufacture of bunker pants. Management believe the claim is without merit and therefore has not provided any sums with regard to this claim.