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**MARMAIR HOLDINGS LIMITED**

**FINANCIAL STATEMENTS**

**for the fifty-two weeks ended  
26 October 2003**



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**MARMAIR HOLDINGS LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 26 OCTOBER 2003**

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**MARMAIR HOLDINGS LIMITED****Directors**

F W Wood (Chairman)  
N R Carrick

**DIRECTORS' REPORT**

The directors submit their annual report and the audited financial statements of the company for the fifty-two weeks ended 26 October 2003 ("the year").

**Business review**

The principal activity of the company continues to be that of a holding company.

The trading results for the year are shown in the profit and loss account on page 5.

A dividend of 24p (2002: nil p) was paid on the cumulative redeemable preference shares during the year. The directors recommend the payment of a final dividend of £17,286 (2002: £nil) to the ordinary shareholders.

The name of the company was changed to Cosalt:Clothing Solutions on 10 October 2002 and back to Marmair Holdings Limited on 5 November 2002.

**Directors**

The membership of the Board is shown above. All served on the Board for the whole of the year, with the exception of Mr K C Scates and Mr A Thomas who resigned as directors on 31 October 2002 and 30 September 2003 respectively.

**Directors' shareholdings**

None of the directors has any beneficial interest in the share capital of the company. The interests of Messrs F W Wood and N R Carrick in the share capital of Cosalt plc, the ultimate parent company, are disclosed by that company.

**MARMAIR HOLDINGS LIMITED****DIRECTORS' REPORT (continued)**

The market price of Cosalt plc ordinary shares at 26 October 2003 was 338.0p and the range during the year was 256.0p to 367.5p.

**Auditors**

The auditors, KPMG Audit Plc, have expressed their willingness to continue in office. In accordance with Section 384 of the Companies Act 1985, a resolution for their re-appointment will be proposed at the Annual General Meeting.

By order of the Board



A J Robson  
Secretary

Fish Dock Road  
GRIMSBY

16 July 2004

**MARMAIR HOLDINGS LIMITED****STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year, and of the profit or loss of the company for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume 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 Companies Act 1985. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

**REPORT OF THE INDEPENDENT AUDITORS, KPMG AUDIT PLC TO THE MEMBERS OF  
MARMAIR HOLDINGS LIMITED**

We have audited the financial statements on pages 5 to 9.

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 are responsible for preparing the directors' report and as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities as independent auditors are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

**Basis of audit opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a 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 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 of the state of the company's affairs as at 26 October 2003, and of its profit for the fifty-two weeks then ended, and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*

KPMG Audit Plc  
Chartered Accountants  
Registered Auditor  
Leeds

16 July 2004

**MARMAIR HOLDINGS LIMITED****PROFIT AND LOSS ACCOUNT****FOR THE FIFTY-TWO WEEKS ENDED 26 OCTOBER 2003**

		<b>52 weeks ended 26 October 2003</b>	<b>52 weeks ended 27 October 2002</b>
	<b>Note</b>	<b>£</b>	<b>£</b>
<b>Operating profit/(loss)</b>	<b>2</b>	<b><u>97,000</u></b>	<b><u>(359,441)</u></b>
<b>Profit/(loss) for the financial year</b>		<b>97,000</b>	<b>(359,441)</b>
<b>Dividends</b>	<b>3</b>	<b><u>(97,000)</u></b>	<b>—</b>
<b>Transferred to/(from) reserves</b>	<b>8</b>	<b><u>—</u></b>	<b><u>(359,441)</u></b>

All operations are classed as continuing.

The company has no recognised gains or losses other than the losses for the year disclosed above; accordingly, a statement of recognised gains and losses has not been included in these financial statements.

The notes on pages 7 to 9 form part of these financial statements.

**MARMAIR HOLDINGS LIMITED**  
**BALANCE SHEET – 26 OCTOBER 2003**

	Note	26 October 2003 £	27 October 2002 £
<b>Fixed assets</b>			
Investments	4	907,692	907,692
<b>Current assets</b>			
Debtors	5	97,000	-
Bank and cash balances		<u>387</u>	<u>387</u>
		97,387	387
<b>Creditors</b>			
Amounts falling due within one year	6	<u>614,637</u>	<u>517,637</u>
<b>Net current liabilities</b>		<u>(517,250)</u>	<u>(517,250)</u>
<b>Net assets</b>		<u>390,442</u>	<u>390,442</u>
<b>Capital and reserves</b>			
Called up share capital	7	346,429	346,429
Share premium account	8	128,571	128,571
Profit and loss account	8	<u>(84,558)</u>	<u>(84,558)</u>
<b>Shareholders' funds</b>		<u>390,442</u>	<u>390,442</u>

Approved by the Board on 16 July 2004



N R Carrick - Director

The notes on pages 7 to 9 form part of these financial statements.



## MARMAIR HOLDINGS LIMITED

## NOTES ON FINANCIAL STATEMENTS – 26 OCTOBER 2003

**1 Accounting policies****Basis of accounting**

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

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it is a wholly owned subsidiary undertaking of a parent undertaking which publishes a consolidated cash flow statement.

**Subsidiary undertakings**

Group financial statements are not prepared for the company and its subsidiary undertakings by virtue of S228 of the Companies Act 1985.

**2 Operating profit/(loss)**

Operating profit/(loss) has been arrived at after charging/(crediting):

	2003 £	2002 £
Amounts written off group company investments	-	359,441
Group company dividends	<u>(97,000)</u>	<u>-</u>
	<u>(97,000)</u>	<u>359,441</u>

**3 Dividends**

	2003 £	2002 £
Non Equity		
Cumulative redeemable preference shares 24p per share (2002: nil p)	79,714	-
Equity		
Ordinary shares 23p per share (2002: nil p)	<u>17,286</u>	<u>-</u>
	<u>97,000</u>	<u>-</u>

## MARMAIR HOLDINGS LIMITED

## NOTES ON FINANCIAL STATEMENTS – 26 OCTOBER 2003

(continued)

**4 Investments**Shares in  
subsidiary  
undertakings  
£

Cost

At 27 October 2002

907,692

Less amounts written off

-

At 26 October 2003

907,692

The subsidiary undertaking of the company is Distinctive Clothing Company Limited. This wholly owned subsidiary is incorporated in England and is engaged in the manufacture and distribution of children's clothing.

**5 Debtors**

2003

2002

£

£

Dividends receivable

97,000-**6 Creditors**

2003

2002

£

£

Amounts falling due within one year:

Amounts owed to fellow subsidiary undertakings

597,351

517,637

Dividends payable

17,286-614,637517,637**7 Called up share capital**

2003

2002

£

£

Authorised issued and fully paid:

75,000 ordinary shares of 10p each

7,500

7,500

67,857 'A' ordinary shares of 10p each

6,786

6,786

332,143 12% cumulative redeemable preference shares of £1 each

332,143332,143346,429346,429**8 Reserves**

2003

2002

£

£

**Reconciliation of movements in equity shareholders' funds**

Profit/(loss) for the financial year

97,000

(359,441)

Dividends

(97,000)-

Net addition to shareholders' funds

-

(359,441)

Opening shareholders' funds

390,442749,883

Closing shareholders' funds

390,442390,442

Shareholders funds includes non equity interests of

332,143332,143

## MARMAIR HOLDINGS LIMITED

## NOTES ON FINANCIAL STATEMENTS – 26 OCTOBER 2003

(continued)

**8 Reserves (continued)**

	Share premium account	Profit and loss account
	2003 £	2003 £
Balance at 27 October 2002	128,571	(84,558)
Retained profit for the year	<u>-</u>	<u>-</u>
Balance at 26 October 2003	<u>128,571</u>	<u>(84,558)</u>

**9 Related party transactions**

The company has taken advantage of the exemption from disclosing related party transactions with other group companies, as permitted by Financial Reporting Standard No 8 as the consolidated financial statements in which the company is included are publicly available.

**10 Ultimate parent company**

The company is a subsidiary undertaking of Cosalt plc, which is the ultimate parent company, incorporated in England. The consolidated accounts of this company are available to the public and may be obtained from Fish Dock Road, Grimsby DN31 3NW.