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**MARMAIR HOLDINGS LIMITED**

**FINANCIAL STATEMENTS**

**for the forty-three weeks ended  
28 October 2001**



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COMPANIES HOUSE

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**MARMAIR HOLDINGS LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 28 OCTOBER 2001**

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# MARMAIR HOLDINGS LIMITED

## Directors

F W Wood (Chairman)  
A P H Thomas  
N R Carrick  
K C Scates  
P McDonald

## DIRECTORS' REPORT

The directors submit their annual report and the audited financial statements of the company for the forty-three weeks ended 28 October 2001 ("the period").

### Business review

The entire issued share capital of SEET, the company's ultimate holding company, was acquired by Cosalt plc on the 23 April 2001 and as a result of this, the company's year end was changed to 31 October.

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

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

A dividend of 12p (2000: 12p) was paid on the cumulative redeemable preference shares during the period.

### Directors

The membership of the Board is shown above. All served on the Board for the whole of the period with the exception of Messrs. Wood, Thomas and Carrick who were appointed on 2 May 2001.

Mr. A. Coulter, Mr. D. Goldwater resigned as Directors on the 29 June 2001 and Mr. J.N. Stevenson resigned as a Director on the 30 April 2001.

### 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.

The interests of the other directors in the ordinary share capital of Cosalt plc are as follows:

#### At 28 October 2001      At 31 December 2000

P McDonald	1,000	Nil
K C Scates	10,000	Nil
A P H Thomas	2,739	2,420

These holdings include shares issued under the Cosalt plc Employees' Profit Sharing Scheme.

## MARMAIR HOLDINGS LIMITED

## DIRECTORS' REPORT (continued)

Mr A P H Thomas also held options to purchase Cosalt plc ordinary shares under the various Cosalt plc Executive Share Option Schemes as follows:-

At 31 Dec 2000	Granted during period	Exercised during period	Lapsed during period	At 28 Oct 2001	Exercise price (p)	Dates from which exercisable	Expiry date
7,250	-	-	-	7,250	219.5	17.02.00*	16.02.07
2,750	-	-	-	2,750	219.5	17.02.00*	16.02.04
10,000	-	-	-	10,000	232.5	23.12.00*	22.12.04
15,000	-	-	-	15,000	204.5	22.12.01*	21.12.05
7,800	-	-	-	7,800	179.5	28.04.03*	27.04.10
9,200	-	-	-	9,200	179.5	28.04.03*	27.04.07
-	17,000	-	-	17,000	222.5	26.04.04*	25.04.08
52,000	17,000	-	-	69,000			

\* Performance criteria must be met before exercise permitted.

The market price of Cosalt plc ordinary shares at 28 October 2001 was 209p and the range during the period was 184p to 237.5p.

#### 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

28 January 2002

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

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company at the end of the period, and of the profit or loss of the company for that period. 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.

**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 28 October 2001, and of its profit for the forty-three 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

28 January 2002

## MARMAIR HOLDINGS LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE FORTY-THREE WEEKS ENDED 28 OCTOBER 2001

		43 weeks ended 28 October 2001	year ended 31 December 2000
	Note	£	£
<b>Operating profit</b>	2	88,241	141,722
Interest payable and similar charges (net)	3	—	<u>(18,458)</u>
<b>Profit for the financial period</b>		88,241	123,264
Dividends	4	<u>(39,857)</u>	<u>(88,243)</u>
<b>Transferred to reserves</b>	8	<u>48,384</u>	<u>35,021</u>

All operations are classed as continuing.

The company has no recognised gains or losses other than the losses for the period 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 – 28 OCTOBER 2001**

	Note	28 October 2001 £	31 December 2000 £
<b>Fixed assets</b>			
Investments	5	1,267,133	1,267,133
<b>Current assets</b>			
Bank and cash balances		387	-
<b>Creditors</b>			
Amounts falling due within one year	6	<u>517,637</u>	<u>565,634</u>
<b>Net current liabilities</b>		<u>(517,250)</u>	<u>(565,634)</u>
<b>Net assets</b>		<u>749,883</u>	<u>701,499</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>274,883</u>	<u>226,499</u>
<b>Shareholders' funds</b>		<u>749,883</u>	<u>701,499</u>

Approved by the Board on 28 January 2002



N R Carrick - Director

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



## MARMAIR HOLDINGS LIMITED

## NOTES ON FINANCIAL STATEMENTS – 28 OCTOBER 2001

**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**

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

	2001 £	2000 £
Group company dividends	(88,243)	(141,725)
Other external charges	<u>2</u>	<u>3</u>
	<u>(88,241)</u>	<u>(141,722)</u>

**3 Interest payable and similar charges**

	2001 £	2000 £
Capital charge by ultimate parent company	<u>-</u>	<u>18,458</u>

**4 Dividends**

	2001 £	2000 £
Non Equity		
Cumulative redeemable preference shares 12p per share (2000: 12p)	39,857	39,857
Equity		
Final dividend on ordinary shares (2000: 20p per share)	-	15,000
Final dividend on 'A' ordinary shares (2000: 49.2p per share)	<u>-</u>	<u>33,386</u>
	<u>39,857</u>	<u>88,243</u>

## MARMAIR HOLDINGS LIMITED

## NOTES ON FINANCIAL STATEMENTS – 28 OCTOBER 2001

(continued)

**5 Investments**

**Shares in  
subsidiary  
undertakings  
£**

Cost and net book value

At 1 January 2001 and 28 October 2001

1,267,133

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.

**6 Creditors**

**2001  
£**

**2000  
£**

Amounts falling due within one year:

Bank overdraft

-

58

Amounts owed to fellow subsidiary undertakings

517,637565,576517,637565,634**7 Called up share capital**

**2001  
£**

**2000  
£**

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**

**2001  
£**

**2000  
£**

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

Profit for the financial period

88,241

123,264

Dividends

(39,857)(88,243)

Net addition to shareholders' funds

48,384

35,021

Opening shareholders' funds

701,499666,478

Closing shareholders' funds

749,883701,499

Shareholders funds includes non equity interests of

332,143332,143

## MARMAIR HOLDINGS LIMITED

## NOTES ON FINANCIAL STATEMENTS – 28 OCTOBER 2001

(continued)

**8 Reserves (continued)**

	Share premium account	profit and loss account
	2001 £	2000 £
Balance at 1 January 2001	128,571	226,499
Retained profit for the year	<u>-</u>	<u>48,384</u>
Balance at 28 October 2001	<u>128,571</u>	<u>274,883</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.