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**YOUNG BIGGLES LIMITED**

**FINANCIAL STATEMENTS**

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



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**YOUNG BIGGLES LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE FIFTY-TWO WEEKS ENDED 26 OCTOBER 2003**

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The following pages do not form part of the statutory accounts:

Detailed trading and profit and loss account	Appendix 1
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**YOUNG BIGGLES 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 company has not traded during the year.

**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.

**Fixed assets**

The movement in tangible fixed assets are set out in note 8 to the financial statements.

**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

**YOUNG BIGGLES 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  
YOUNG BIGGLES LIMITED**

We have audited the financial statements on pages 4 to 11.

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 2, 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 result 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

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

		52 weeks ended 26 October 2003	52 weeks ended 27 October 2002
	Note	£	£
Turnover	2	<u>-</u>	<u>93,510</u>
Operating loss	3	-	(47,605)
Interest payable and similar charges	4	<u>-</u>	<u>3,172</u>
Loss on ordinary activities before taxation		-	(50,777)
Taxation on ordinary activities	6	<u>-</u>	<u>1,477</u>
Loss for the financial year	12	<u>-</u>	<u>(52,254)</u>

All operations are classed as discontinued.

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

The notes on pages 6 to 11 form part of these financial statements.

## YOUNG BIGGLES LIMITED

## BALANCE SHEET -- 26 OCTOBER 2003

	Note	26 October 2003 £	27 October 2002 £
<b>Fixed assets</b>			
Intangible assets – goodwill	7	-	-
Tangible fixed assets	8	-	-
<b>Current assets</b>			
Debtors	9	15,206	15,206
<b>Creditors</b>			
Amounts falling due within one year	10	<u>(135,810)</u>	<u>(135,810)</u>
<b>Net liabilities</b>		<u>(120,604)</u>	<u>(120,604)</u>
<b>Capital and reserves</b>			
Called up share capital	11	100	100
Profit and loss account	12	<u>(120,704)</u>	<u>(120,704)</u>
<b>Equity shareholders' funds - adverse</b>		<u>(120,604)</u>	<u>(120,604)</u>

Approved by the Board on 16 July 2004



N R Carrick - Director

The notes on pages 6 to 11 form part of these financial statements.

## YOUNG BIGGLES 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.

**Depreciation**

Tangible fixed assets are depreciated on a straight line basis at annual rates which vary depending on the type of asset but which are generally:

Plant and machinery	10 to 33 $\frac{1}{3}$ %
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**Leased assets**

Assets which are financed by leasing agreements transferring substantially all the risks and rewards of ownership (finance leases) are capitalised and depreciated over their useful lives. The liability to the leasing company is included in creditors. Leasing payments are treated as consisting of capital and interest elements and the interest is charged to the profit and loss account. All other payments under lease agreements are charged in full to the profit and loss account.

**Stocks**

Stocks are stated at the lower of cost, including an appropriate proportion of production overheads, and net realisable value.

**Deferred taxation**

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred taxation is recognised, without discounting in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19.

**Pension costs**

Contributions to the group's defined benefit pension schemes are charged to the profit and loss account so as to spread the cost of pensions over employees' service lives.

For defined contribution schemes all contributions are charged directly to the profit and loss account in the years in which they are payable.

**Foreign currency**

Assets and liabilities in foreign currencies are translated into sterling at approximate rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. All exchange differences arising are included in the profit and loss account for the year.

**Goodwill**

Goodwill represents the difference between the acquisition cost over the separate net assets of the business undertaking acquired.

The economic benefit of the goodwill arising has been estimated by the directors as being 5 years, and as such, the goodwill will be charged to the profit and loss account over that year. The directors will undertake an annual revision of the year from which the economic benefit is derived.

## YOUNG BIGGLES LIMITED

## NOTES ON FINANCIAL STATEMENTS – 26 OCTOBER 2003

(continued)

**2 Turnover**

Turnover represents the goods and services, excluding value added tax, invoiced to customers. The principal activity of the company was the design, manufacture and distribution of workwear clothing, and the geographical analysis of turnover by destination is as follows:

	2003 £	2002 £
United Kingdom	<u>-</u>	<u>93,510</u>

All turnover originated in the United Kingdom.

**3 Operating loss**

Operating loss has been arrived at after charging:

	2003 £	2002 £
Movement in stocks of finished goods and work in progress	-	14,788
Raw materials and consumables	-	67,695
Other external charges	-	6,206
Staff costs (note 5)	-	3,528
Depreciation on owned assets	-	-
Depreciation on assets held under hire purchase agreements	-	1,563
Amortisation of goodwill	<u>-</u>	<u>47,335</u>
	<u>-</u>	<u>141,115</u>

## YOUNG BIGGLES LIMITED

NOTES ON FINANCIAL STATEMENTS - 26 OCTOBER 2003  
(continued)

<b>4 Interest payable and similar charges</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Bank interest	-	2,999
On finance leases	<u>-</u>	<u>173</u>
	<u>-</u>	<u>3,172</u>
<b>5 Directors and employees</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Staff costs:		
Wages and salaries	-	1,119
Social security costs	-	1,747
Other pension costs	<u>-</u>	<u>662</u>
	<u>-</u>	<u>3,528</u>
Emoluments of the directors of the company were:		
Remuneration for management:	<u>-</u>	<u>-</u>
	<b>Number</b>	<b>Number</b>
The number of directors accruing benefits under defined benefit pension schemes in respect of qualifying service was:	2	3
The number of directors granted share options in respect of Cosalt plc shares during the year was:	2	3
The number of directors exercising share options During the year was:	3	-
The average number of employees of the company during the year was:		
Management and administration	-	-
Production and sales staff	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

## YOUNG BIGGLES LIMITED

NOTES ON FINANCIAL STATEMENTS - 26 OCTOBER 2003  
(continued)

6	Taxation on ordinary activities	2003 £	2002 £
	The taxation charge/(credit) based on the loss on ordinary activities is:		
	UK corporation tax receivable at 30% (2002: 30%)	-	(1,400)
	Deferred taxation	-	<u>2,989</u>
			1,589
	Adjustments in respect of prior years:		
	Corporation tax	-	1,443
	Deferred taxation	-	<u>(1,555)</u>
		<u>-</u>	<u>1,477</u>

Factors affecting the current tax charge.

The differences are reconciled below:

	2003 £	2002 £
Loss on ordinary activities before tax	<u>-</u>	<u>(50,777)</u>
Tax at current UK Corporation tax rate of 30% (2002: 30%)	-	(15,233)
Effects of:		
Expenses not deductible for tax purposes:		
Goodwill written off	-	14,201
Other	-	642
Short term timing differences	-	(1,479)
Other permanent differences	-	1,979
Timing differences between capital allowances and depreciation	-	(1,510)
Adjustments to tax charge in respect of previous periods	<u>-</u>	<u>1,443</u>
Current tax charge for year	<u>-</u>	<u>43</u>

## 7 Intangible assets

	Goodwill £
<b>Cost</b>	
At 27 October 2002 and 26 October 2003	<u>69,808</u>
<b>Amortisation</b>	
At 27 October 2002	69,808
Charge for year	<u>-</u>
At 26 October 2003	<u>69,808</u>
<b>Net book values</b>	
At 26 October 2003	<u>-</u>
At 27 October 2002	<u>-</u>

## YOUNG BIGGLES LIMITED

NOTES ON FINANCIAL STATEMENTS - 26 OCTOBER 2003  
(continued)

<b>8 Tangible fixed assets</b>	<b>Plant and machinery</b>	
	<b>£</b>	
<b>Cost</b>		
At 27 October 2002 and 26 October 2003	<u>5,000</u>	
<b>Depreciation</b>		
At 27 October 2002 and 26 October 2003	<u>5,000</u>	
<b>Net book values</b>		
At 26 October 2003	<u>—</u>	
At 28 October 2002	<u>—</u>	
<b>9 Debtors</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Amounts falling due within one year:		
Group taxation relief recoverable	<u>15,206</u>	<u>15,206</u>
<b>10 Creditors</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Amounts falling due within one year:		
Amounts owed to fellow subsidiary undertakings	<u>135,810</u>	<u>135,810</u>
<b>11 Called up share capital</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Authorised issued and fully paid : 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
<b>12 Reserves</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
<b>Reconciliation of movements in equity shareholders' funds</b>		
Loss for the financial year	-	(52,254)
Opening equity shareholders' funds (adverse)	<u>(120,604)</u>	<u>(68,350)</u>
Closing equity shareholders' funds (adverse)	<u>(120,604)</u>	<u>(120,604)</u>
<b>Profit and loss account</b>	<b>£</b>	
Balance at 27 October 2002 – adverse	(120,704)	
Loss for the year	<u>—</u>	
Balance at 26 October 2003 – adverse	<u>(120,704)</u>	

**YOUNG BIGGLES LIMITED****NOTES ON FINANCIAL STATEMENTS - 26 OCTOBER 2003**  
(continued)**13 Pension commitments**

The company is part of the Cosalt plc group which operates several pension schemes, the major one being of the defined benefit type. The assets of the defined benefit scheme are held in separate trustee administered funds. This scheme was closed to new entrants on 25 July 2000 and replaced by a defined contribution scheme.

The Group has continued to account for pensions in accordance with Statement of Standard Accounting Practice 24 (SSAP24) and the disclosures required by that standard are included in the Group financial statements.

A new pension cost accounting standard, Financial Reporting Standard 17 (FRS17) was issued in November 2000, although mandatory full implementation has been deferred. Prior to this implementation transitional disclosure rules apply.

Because the company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by FRS 17, 'Retirement Benefits' the scheme will be accounted for by the company when the accounting standard is fully adopted by the company as if the scheme was a defined contribution scheme.

The FRS 17 transitional disclosures for the scheme are shown in the consolidated accounts of Cosalt plc, the ultimate parent company.

During the year the company made contributions amounting to £nil (2002: £662) to a money purchase scheme. The pensions cost charged in the financial statements reflects the contributions payable by the company during the year in accordance with SSAP24.

**14 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.

**15 Future financial support**

The financial statements have been prepared under the going concern basis, the validity of which is dependent upon the continued financial support by the ultimate parent company.

The directors, having consulted with the directors of the ultimate parent company, believe that this financial support will continue for the foreseeable future.

Should the ultimate parent company be unable to continue its financial support, certain adjustments would be necessary to these financial statements.

**16 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.