

ACCORDEN HOLDINGS LIMITED

Report and Financial Statements

15 Months to 2 April 2005



ACCORDEN HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS 2005

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ACCORDEN HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS 2005

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

M D Shotton
C Pate

SECRETARY

C Pate

REGISTERED OFFICE

North Street
Huthwaite
Notts
NG17 2PE

BANKERS

HSBC
33 Park Row
Leeds
LS1 1LD

SOLICITORS

Pinsent Curtis Biddle
1 Park Row
Leeds
LS1 5AB

AUDITORS

Bentley Jennison
5 Ridge House Drive
Festival Park
Stoke-on-Trent
ST1 5SJ

ACCORDEN HOLDINGS LIMITED

DIRECTORS REPORT

The directors present their annual report and the audited financial statements for the 15 month period ended 2 April 2005.

PRINCIPAL ACTIVITIES

The principal activity of the company is that of an intermediate holding company.

DIRECTORS AND THEIR INTERESTS

On 17 November 2005 the group sold Berghaus NV and Berghaus Confectie NV.

None of the directors held shares in Accorden Holdings Limited at any time during the period.

The directors' interests in the shares of the ultimate parent company, Bramhope Group Holdings Limited, at the start and end of the period were as follows:

	Number of ordinary shares	
	2 April 2005	1 January 2004
M D Shotton	6352	6352
C Pate	352	352

DIVIDENDS

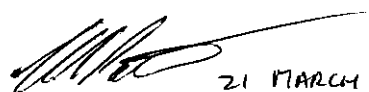
The directors do not recommend the payment of a final dividend.

An interim dividend of £1,219,950 was declared and paid during the period.

AUDITORS

In accordance with Section 384 of the Companies Act 1985, a resolution for the reappointment of Bentley Jennison as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



21 MARCH 2006

C Pate
Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 as at the end of the financial 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; and
- 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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ACCORDEN HOLDINGS LIMITED

We have audited the financial statements of Accorden Holdings Limited for the 15 month period ended 2 April 2005 set out on pages 5 to 12. These financial statements have been prepared under the historical cost convention and accounting policies set out on page 8.

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 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 described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 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.

We read the directors' report and other information contained in the annual report for the above period as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

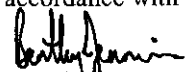
Basis of opinion

We conducted our audit in accordance with United Kingdom 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 affairs of the company as at 2 April 2005 and of the profit for the 15 month period then ended and have been properly prepared in accordance with the Companies Act 1985.



Bentley Jennison

Chartered Accountants and
Registered Auditors
Stoke-on-Trent

17 March 2006

ACCORDEN HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT **15 MONTH PERIOD ENDED 2 APRIL 2005**

	Note	15 months ended 2 April 2005 £'000	Year ended 31 December 2003 £'000
TURNOVER		-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses		-	78
OPERATING PROFIT		-	78
Income from shares in group undertakings		1,220	3,050
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,220	3,128
Tax on profit on ordinary activities	3	-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,220	3,128
PROFIT FOR THE FINANCIAL PERIOD		1,220	3,128
Dividends on equity shares	4	(1,220)	(3,081)
RETAINED PROFIT FOR THE FINANCIAL PERIOD		-	47

There were no recognised gains or losses during the period other than the retained profit as stated in the profit and loss account. All results arise from continuing operations.

ACCORDEN HOLDINGS LIMITED

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS 15 MONTH PERIOD ENDED 2 APRIL 2005

	15 months ended 2 April 2005 £'000	Year ended 31 December 2003 £'000
Profit for the financial period	1,220	3,128
Dividends	(1,220)	(3,081)
Net addition to shareholders' funds	-	47
Opening shareholders' funds	1,945	1,898
Closing shareholders' funds	1,945	1,945

ACCORDEN HOLDINGS LIMITED


BALANCE SHEET

2 April 2005

	Note	2 April 2005 £'000	31 December 2003 £'000
FIXED ASSETS	5		
Investments		5,848	5,848
CURRENT ASSETS			
Debtors	6	1,967	1,967
Cash at bank		72	72
		<u>2,039</u>	<u>2,039</u>
CREDITORS: amounts falling due within one year	7	<u>(5,942)</u>	<u>(5,942)</u>
NET CURRENT LIABILITIES		<u>(3,903)</u>	<u>(3,903)</u>
NET ASSETS		<u>1,945</u>	<u>1,945</u>
CAPITAL AND RESERVES			
Called up share capital	9	-	-
Share premium	10	35	35
Other reserves	10	1,863	1,863
Profit and loss account	10	47	47
TOTAL EQUITY SHAREHOLDERS' FUNDS		<u>1,945</u>	<u>1,945</u>

These financial statements were approved by the Board of Directors on

Signed on behalf of the Board of Directors


21 MARCH 2006

C PATE

Director

**NOTES TO THE ACCOUNTS
PERIOD ENDED 2 APRIL 2005**

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

The company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

Accounting convention

The financial statements are prepared under the historical cost convention.

Investments

Investments held as fixed assets are stated at cost less provision for impairment.

Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in period different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

2. OPERATING PROFIT

The cost of company audit fees is borne by Quantum Clothing Group Limited. The directors are not remunerated for their work as directors of Accorden Holdings Limited

ACCORDEN HOLDINGS LIMITED

NOTES TO THE ACCOUNTS PERIOD ENDED 2 APRIL 2005

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

a) Analysis of charge in the period

	2005 £'000	2003 £'000
Current Tax		
United Kingdom corporation tax at 30% (2003: 30%) based on the profit for the period	-	-
Current Tax charge (note 3b)	-	-
Total deferred tax	-	-
Tax on profit on ordinary activities	-	-

b) Factors affecting the tax charge for the period.

Profit on ordinary activities before tax	1,220	3,128
Tax on profit on ordinary activities at standard rate	366	938
Effects of:		
Non taxable income	(366)	(938)
Current tax charge for the period (note 3a)	-	-

4. DIVIDENDS

	2005 £'000	2003 £'000
Equity shares: dividends paid on "A" and "B" ordinary shares	1,220	3,081

NOTES TO THE ACCOUNTS
PERIOD ENDED 2 APRIL 2005

5. INVESTMENTS HELD AS FIXED ASSETS

COMPANY

	Shares in joint ventures £'000	Shares in subsidiaries £'000	Total £'000
Cost			
At 2 April 2005 and at 31 December 2003	250	5,598	5,848
Net book value			
At 2 April 2005 and at 31 December 2003	250	5,598	5,848

The shares in subsidiaries represent a 100% share holding in Quantum Clothing Group Limited, an unlisted company incorporated in the UK. All subsidiaries of Quantum Clothing Group Limited are listed below, and all except those noted as being dormant companies are garment manufacturers.

Name	% Share Holding	Country of Incorporation
Berghaus NV	100%	Belgium
Berghaus Confectie NV	100%	Belgium
New Island Clothing (Cambodia) Ltd	100%	Cambodia
Quantum Clothing Lanka (Private) Limited	100%	Sri-Lanka
New Island Clothing Limited	50.1%	Mauritius
Quantum Clothing Group (Mauritius) Limited	100%	Mauritius
Jeweltex Maroc	99.9%	Morocco
Atkins of Hinckley Limited (dormant)	100%	UK
Global Inc (dormant)	100%	UK
Jeweltex (UK) Limited (dormant)	100%	UK
Stevensons Limited (dormant)	100%	UK
Stevensons (Dyers) Limited (dormant)	100%	UK
New Island Clothing (dormant)	100%	UK
Cloth Limited	100%	UK
Cloth UK Limited (dormant)	100%	UK

The shares in joint ventures represents a 50% shareholding in Watermelon Limited, a company incorporated in the UK and whose principal activity is license management.

The contributions of Watermelon Limited to group results are included in the consolidated financial statements of Bramhope Group Holdings Limited.

ACCORDEN HOLDINGS LIMITED

NOTES TO THE ACCOUNTS PERIOD ENDED 2 APRIL 2005

6. DEBTORS

	2005 £'000	2003 £'000
Amounts owed by group undertakings	<u>1,967</u>	<u>1,967</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £'000	2003 £'000
Amounts owed to group undertakings	<u>5,942</u>	<u>5,942</u>

8. PROVISIONS FOR LIABILITIES AND CHARGES

There is no unprovided deferred tax liability.

9. CALLED UP SHARE CAPITAL

	2005 £	2003 £
Authorised		
6,000 'A' ordinary shares of £0.01 each	60	60
4,000 'B' ordinary shares of £0.01 each	40	40
3,000 'C' ordinary shares of £0.01 each	30	30
	<u> </u>	<u> </u>
Called up, allotted and fully paid		
6,000 'A' ordinary shares of £0.01 each	60	60
4,000 'B' ordinary shares of £0.01 each	40	40
1,760 'C' ordinary shares of £0.01 each	18	18
	<u> </u>	<u> </u>

ACCORDEN HOLDINGS LIMITED

NOTES TO THE ACCOUNTS PERIOD ENDED 2 APRIL 2005

10. RECONCILIATION OF RESERVES

	Share premium £'000	Capital reserves £'000	Profit and loss reserves £'000	Total £'000
At 1 January 2004	35	1,863	47	1,945
Retained Profit in the period	-	-	-	-
At 2 April 2005	35	1,863	47	1,945

11. FINANCIAL COMMITMENTS

There were no financial commitments outstanding under finance lease or hire purchase agreements at 2 April 2005 (2003: nil).

12. ULTIMATE CONTROLLING PARTY

The ultimate holding company is Bramhope Group Holdings Limited, which is a company incorporated in the United Kingdom. Copies of financial statements can be requested from the company's registered office at North Street, Huthwaite, Sutton-in-Ashfield, Nottingham. NG17 2PE.

Bramhope Group Holdings Limited is controlled by M D Shotton, the majority shareholder.

13. RELATED PARTY TRANSACTIONS

As the company is a wholly owned subsidiary of Bramhope Group Holdings Limited, the company has taken advantage of the exemption provided in Financial Reporting Standard No. 8 'Related Party Transactions' not to disclose transactions or balances with other group companies.