

**SC51 FASHIONS LIMITED**  
(formerly known as Sonneti Fashions Limited)  
(Company Registration Number 6666633)

Annual Report for the year ended 30 June 2010

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**SC51 FASHIONS LIMITED (formerly known as Sonneti Fashions Limited)**  
**For the year ended 30 June 2010**

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**SC51 FASHIONS LIMITED (formerly known as Sonneti Fashions Limited)**  
**For the year ended 30 June 2010**

**DIRECTORS AND ADVISERS**

Directors	Asbed Momdjan Swarup Banerjee	Chief Executive Finance Director
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Head Office	One Western Avenue Business Park, Mansfield Road London W3 0BZ
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Company Secretary and Registered Office	Swarup Banerjee One Western Avenue Business Park, Mansfield Road London W3 0BZ
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Registered Number	6666633
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Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and statutory Auditors 1 Embankment Place, London WC2N 6RH
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Principal Bankers	HSBC Plc 70 Pall Mall, London, SW17 5EZ
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**SC51 FASHIONS LIMITED (formerly known as Sonneti Fashions Limited)**

**DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2010**

The Directors' present their first Report and the audited financial statements of the Company for the year ended 30 June 2010

This report has been prepared taking advantage of the small companies exemption in accordance with s415A of the Companies Act 2006

**Principal activity**

The principal activity of the Company is the design, wholesale and marketing of branded clothing and accessories

**Review of business and future developments**

On 26 April 2010, the Company sold its Sonneti brand and associated trademarks to JD Sports plc. The Company had previously stated its intention to stop selling the Sonneti brand and to develop an alternative brand entitled SC51. On 7 July 2010 the company changed its name to SC51 Fashions Limited.

For future developments, see post balance sheet note below

**Results and dividends**

The Company's profit for the year to 30 June 2010 was £177,000 (7 August 2008 to 30 June 2009: £168,000)

The Directors have not declared or paid a dividend in respect of the year to 30 June 2010 (7 August 2008 to 30 June 2009: £nil)

**Directors**

The Directors who held office at the year end and up to the date of signing the financial statements were as follows

Asbed Momdjan  
Swarup Banerjee (appointed 29<sup>th</sup> November 2010)  
Darren Poulter (resigned 12<sup>th</sup> October 2010)  
Lindsay Dunsmuir (resigned 3<sup>rd</sup> December 2010)

**Post balance sheet event**

On 6 September 2010 the Company announced that it would sell the SC51 range of clothing for Autumn/Winter 10 but that the SC51 brand would cease trading after the delivery of this season's product. The Directors were deeply disappointed by the need for this decision but the new brand had not progressed sufficiently well to make it sustainable.

As a result of this decision 6 staff were made redundant.

**Statement of directors' responsibilities in respect of the Directors Report and Financial Statements**

The directors are responsible for preparing the Directors 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period.

In preparing these 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 prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy, at any time, the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

**SC51 FASHIONS LIMITED (formerly known as Sonneti Fashions Limited)**

**DIRECTORS' REPORT THE YEAR ENDED 30 JUNE 2010 (CONTINUED)**

**Disclosure of information to auditors**

Each of the persons who is a director at the date of approval of this report confirms that

- (1) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- (2) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

By the order of the Board



Swarup Banerjee  
Company Secretary

31<sup>st</sup> March 2011

**SC51 FASHIONS LIMITED (formerly known as Sonneti Fashions Limited)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SC51 FASHIONS LIMITED**

We have audited the financial statements of SC51 Fashions Limited for the year ended 30 June 2010 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as applicable to financial statements prepared in accordance with the small companies regime of the Companies Act 2006.

**Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

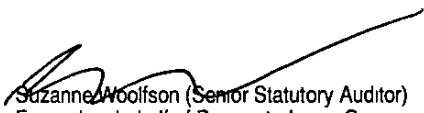
**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, and
- the directors were not entitled to prepare financial statements and the directors' report in accordance with the small company regime.

  
Suzanne Woolfson (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

31 March 2011

**SC51 FASHIONS LIMITED (formerly known as Sonneti Fashions Limited)**  
**(Company Registration Number 6666633)**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR TO 30 JUNE 2010**

	<b>Note</b>	<b>2010 £'000</b>	<b>Period 7 August 2008 to 30 June 2009 £'000</b>
<b>Turnover</b>	<b>2</b>	<b>2,565</b>	<b>5,152</b>
Cost of sales		(1,865)	(3,142)
<b>Gross profit</b>		<b>700</b>	<b>2,010</b>
Distribution costs		(1,114)	(1,012)
Administrative expenses		(408)	(762)
<b>Operating (loss) / profit</b>		<b>(822)</b>	<b>236</b>
Profit on disposal of intangible fixed assets	<b>8</b>	<b>1,243</b>	<b>-</b>
Interest payable and similar charges	<b>5</b>	<b>(4)</b>	<b>(3)</b>
<b>Profit on ordinary activities before taxation</b>	<b>6</b>	<b>417</b>	<b>233</b>
Tax on profit on ordinary activities	<b>7</b>	<b>(240)</b>	<b>(65)</b>
<b>Profit for the financial year</b>	<b>15</b>	<b>177</b>	<b>168</b>

The Company's results all relate to continuing operations

There are no material differences between the profit on activities before taxation and the profit for the financial year stated above and their historical cost equivalents

The Company has no recognised gains and losses other than those included in the profits above, and therefore no separate statement of total recognised gains and losses has been presented

**SC51 FASHIONS LIMITED (formerly known as Sonneti Fashions Limited)**  
**(Company Registration Number 6666633)**

**BALANCE SHEET AS AT 30 JUNE 2010**

	Note	2010 £'000	Period 7 August 2008 to 30 June 2009
<b>Fixed assets</b>			
Intangible assets	8	33	247
Tangible assets	9	51	126
		84	373
<b>Current assets</b>			
Stocks	10	524	733
Debtors	11	1,971	1,873
		2,495	2,606
<b>Creditors amounts falling due within one year</b>	12	(218)	(795)
<b>Net current assets</b>		2,277	1,811
<b>Total assets less current liabilities</b>		2,361	2,184
<b>Net assets</b>		2,361	2,184
<b>Capital and reserves</b>			
Called up share capital	14	2,016	2,016
Profit and loss account	15	345	168
<b>Total shareholders' funds</b>	16	2,361	2,184

The financial statements on pages 5 to 12 were approved by the Board of Directors on 31<sup>st</sup> March 2011 and were signed on its behalf by

  
Swarup Banerjee  
Finance Director

**SC51 FASHIONS LIMITED (formerly known as Sonneti Fashions Limited)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 30 JUNE 2010**

**1 Accounting policies**

**Accounting convention**

The financial statements are prepared on a going concern basis under the historical cost convention, the accounting policies set out below that have been consistently applied throughout the period, and in accordance with applicable accounting standards in the United Kingdom and the Companies Act 2006. The principal accounting policies applied are:

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at the historic purchase cost, net of accumulated depreciation and provision for impairment. Costs include the original purchase price of the asset and the costs attributable to bring the asset to its working condition and intended use. Depreciation is provided on all tangible fixed assets at rates calculated to write off each asset, less residual value by equal instalments over its expected useful economic life, on the following basis:

Fixtures and fittings	20% to 33 $\frac{1}{3}$ % per annum
Computer equipment	33 $\frac{1}{3}$ % per annum
Short leasehold property	Over the lifetime of the lease

The expected useful life of the assets to the business are reassessed periodically in the light of experience. Short leasehold property represents the costs associated with acquiring and improving leasehold property.

**Intangible fixed assets and amortisation**

Intangible fixed assets relate to trademarks and are stated at the historic purchase cost. Trademarks are not amortised because they do not have a finite life. In accordance with FRS 10 impairment reviews are performed annually by the directors. Where there is estimated to be any loss in value, provision for impairment is made. When it is determined that the carrying value exceeds the recoverable amount, the excess is written off to the profit and loss account.

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for any obsolete or slow moving items. Stock cost is calculated on a weighted average basis.

**Foreign Currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling, either at period-end rates, or where there are related forward exchange contracts, at contract rates. The resulting exchange differences are dealt with in the determination of the profit for the financial period.

Transactions denominated in foreign currencies, other than those covered by forward contracts, are recorded at the rates of exchange ruling at the date of the transaction.

**Operating leases**

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

**Turnover and other operating income**

Turnover represents amounts receivable for goods provided in the normal course of business, net of discounts, returns, VAT and other sales related taxes. Revenue is recognised when the risk and reward is substantially transferred to the customer.

**Pension costs**

Contributions to defined contribution pension schemes are charged to the profit and loss account, as they become payable.

The Company operates a defined contribution scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund.

**Taxation**

Corporation tax payable is provided on taxable profits at the current rate.

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 tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

**SC51 FASHIONS LIMITED (formerly known as Sonneti Fashions Limited)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 30 JUNE 2010 (CONTINUED)**

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

**Related party transactions**

The Company has taken advantage of the exemption under paragraph 3(c) from the provisions of FRS8 'Related Party Disclosures' which requires the disclosure of the details of material transactions between the reporting entities, on the grounds that it is a wholly owned subsidiary of the Group headed by World Design & Trade Co Limited, a company incorporated in the United Kingdom whose financial statements are publicly available.

**Cash flow statement**

The Company is a wholly owned subsidiary company of a Group headed by World Design & Trade Co Limited, and is included in the consolidated financial statements of that company, which are publicly available. Consequently, the Company has taken advantage of the exemption under FRS1 'Cash flow statements (revised 1996)' from preparing a cash flow statement.

**2 Turnover**

Turnover represents goods sold to external customers, less returns, discounts and value added tax. The turnover arises from the sale of fashion clothing and accessories. All turnover originates from the United Kingdom.

<b>By divisional activity</b>	<b>2010 £'000</b>	<b>Period 7 August 2008 to 30 June 2009 £'000</b>
United Kingdom & Ireland	2,294	4,657
Europe	32	212
Middle East and Africa	239	283
	<b>2,565</b>	<b>5,152</b>

**3 Staff costs and numbers**

	<b>2010 Number</b>	<b>Period 7 August 2008 to 30 June 2009 Number</b>
The average monthly number of people employed by the Company during the year (2009 period), including Directors split by activity were as follows -		
Sales and marketing	1	1
Administration	7	11
	<b>8</b>	<b>12</b>
The aggregate payroll costs of these people were as follows		
	<b>2010 £'000</b>	<b>Period 7 August 2008 to 30 June 2009 £'000</b>
Wages and salaries	422	429
Social security costs	48	51
Other pension costs	9	9
	<b>479</b>	<b>489</b>

The company operates a defined contribution pension scheme, by providing contributions to the personal pension plans of employees. The charge for the year was £9,000 (period ended 30 June 2009: £9,000). Nil contributions are accrued or prepaid at the year end (2009 period ended 30 June 2009: £nil).

SC51 FASHIONS LIMITED (formerly known as Sonneti Fashions Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010 (CONTINUED)

4 Directors' emoluments

	2010 £'000	Period 7 August 2008 to 30 June 2009 £'000
Directors' emoluments	94	62
Aggregate emoluments	94	62

5 Interest payable and similar charges

	2010 £'000	Period 7 August 2008 to 30 June 2009 £'000
Interest payable on bank overdrafts	4	3

6 Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated after charging the following

	2010 £'000	Period 7 August 2008 to 30 June 2009 £'000
Auditors remuneration		
Audit services	-	-
Depreciation charge on owned tangible fixed assets	25	28
Loss on disposal of tangible fixed assets	52	-

The company's audit fee is borne by its parent company and the auditors received no remuneration for non-audit services

7 Tax on profit on ordinary activities

(a) Analysis of charge in the year (2009 period)

	2010 £'000	Period 7 August 2008 to 30 June 2009 £'000
<b>Current tax</b>		
UK corporation tax at 28% on profit for the year (2009 period)	224	63
<b>Total current tax</b>	224	63
<b>Deferred tax</b>		
Accelerated capital allowances	16	2
<b>Total deferred tax (see note 13)</b>	16	2
<b>Total tax charge on profit on ordinary activities</b>	240	65

**SC51 FASHIONS LIMITED (formerly known as Sonneti Fashions Limited)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010 (CONTINUED)**

**7 Tax on profit on ordinary activities (continued)**

**(b) Factors affecting tax charge for the year (2009: period)**

The tax charge assessed for the year (2009: period) is lower than the standard rate of corporation tax in the United Kingdom (28%). The differences are explained below

	2010 £'000	Period 7 August 2008 to 30 June 2009 £'000
<b>Profit on ordinary activities before taxation</b>	417	233
Profit on ordinary activities at the standard rate of UK corporation tax of 28%	117	65
Effects of -		
Accelerated capital allowance	19	(2)
Expenses not deductible for tax	16	-
Capital transactions	420	-
Income not recognised for tax	(348)	-
<b>Current tax for the year (2009: period)</b>	<b>224</b>	<b>63</b>

A number of changes to the UK Corporation tax system were announced in the June 2010 and March 2011 Budget Statements. The Finance (No 2) Act 2010, which was substantively enacted on 20 July 2010, included legislation reducing the main rate of corporation tax from 28 per cent to 27 per cent from 1 April 2011. The March 2011 Budget statement proposed a further reduction of the main rate from 27% to 26% again from 1 April 2011. This change is expected to be enacted on 29 March 2011. Further reductions to the main rate are proposed to reduce the rate by 1 per cent per annum to 23 per cent by 1 April 2014. The reduction from 27% to 26% had not been substantively enacted at the balance sheet date and is therefore not included in these financial statements.

The rate reductions from 27% to 26% from 1 April 2011 and from 26% to 25% from 1 April 2012 are both expected to be enacted during calendar 2011. The further proposed reductions of the main rate of corporation tax by 1 per cent to 23 per cent by 1 April 2014 are expected to be enacted separately in calendar 2012 and 2013.

**8 Intangible assets**

	Trademarks £'000
<b>Cost</b>	
At 1 July 2009	247
Additions	43
Disposals	(257)
<b>At 30 June 2010</b>	<b>33</b>

On 26 April 2010 the Company sold its Sonneti brand and associated trademarks to JD Sports plc resulting in a gain of £1,243,000.

**9 Tangible assets**

	Short leasehold property £'000	Fixtures and fittings £000	Total £'000
<b>Cost</b>			
As at 1 July 2009	57	97	154
Additions	-	2	2
Disposals		(84)	(84)
<b>At 30 June 2010</b>	<b>57</b>	<b>15</b>	<b>72</b>
<b>Accumulated depreciation</b>			
As at 1 July 2009	7	21	28
Charge for the period	9	16	25
Disposals	-	(32)	(32)
<b>At 30 June 2010</b>	<b>16</b>	<b>5</b>	<b>21</b>
<b>Net book value At 30 June 2010</b>	<b>41</b>	<b>10</b>	<b>51</b>
<b>Net book value At 30 June 2009</b>	<b>50</b>	<b>76</b>	<b>126</b>

**SC51 FASHIONS LIMITED (formerly known as Sonneti Fashions Limited)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010 (CONTINUED)**

**10 Stocks**

	2010 £'000	Period 7 August 2008 to 30 June 2009 £'000
Raw materials	244	204
Finished goods	280	529
	524	733

There is no material difference between the replacement cost of stocks and their balance sheet values

**11 Debtors**

	2010 £'000	Period 7 August 2008 to 30 June 2009 £'000
Trade debtors	781	1,616
Amounts owed from parent undertakings	1,175	233
Deferred tax asset (note 13)	-	16
Other debtors & prepayments	15	8
	1,971	1,873

All debtors are amounts due within one year. Amounts owed by Group undertakings are unsecured, interest free and repayable on demand.

**12 Creditors amounts falling due within one year**

	2010 £'000	Period 7 August 2008 to 30 June 2009 £'000
Trade creditors	211	594
Other creditors	2	120
Amounts owed to parent undertakings	-	81
Amounts owed to fellow subsidiary undertakings	5	-
	218	795

Amounts owed to fellow subsidiary undertakings are unsecured, interest free and repayable on demand.

**13 Deferred taxation**

	2010 £'000	Period 7 August 2008 to 30 June 2009 £'000
Accelerated capital allowances	-	16

**SC51 FASHIONS LIMITED (formerly known as Sonneti Fashions Limited)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010 (CONTINUED)**

**13 Deferred taxation (continued)**

The movement in the deferred tax asset is made up as follows

	2010 £'000	Period 7 August 2008 to 30 June 2009 £'000
Asset at 1 July 2009	16	-
Change for the year in the profit and loss account	(16)	(2)
Additions on acquisition of business	-	18
<b>Asset at 30 June 2010</b>	<b>-</b>	<b>16</b>

There is unprovided deferred tax asset of £35,000 (2009 £ nil) relating to accelerated capital allowances

The deferred tax asset has not been recognised in the financial statements due to uncertainty over the timing of suitable future taxable profits

**14 Called up share capital**

Ordinary shares of £1 each	Number	£'000
Authorised, allotted, called up and fully paid at 30 June 2009 and 2010	2,016,000	2,016

**15 Profit and loss account**

	£'000
As at 1 July 2009	168
Profit for the financial year	177
<b>At 30 June 2010</b>	<b>345</b>

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

	2010 £'000	Period 7 August 2008 to 30 June 2009 £'000
Ordinary shares issued	-	2,016
Profit for the financial year	177	168
Total additions to shareholders' funds	177	2,184
Opening shareholders' funds	2,184	-
<b>Closing shareholders' funds</b>	<b>2,361</b>	<b>2,184</b>

**17 Ultimate parent undertaking and controlling party**

The immediate parent company is World Design & Trade Co Limited, a company incorporated in England & Wales. The only entity to prepare consolidated accounts is World Design & Trade Co Limited, whose accounts are available from the company's registered office

The ultimate controlling party is Asbed Momdjan, a director of the Company, who holds 100% of the issued share capital of the parent company through a family trust

**18 Post balance sheet event**

On 6 September 2010 the Company announced that it would sell the SC51 range of clothing for Autumn/Winter 10 but that the SC51 brand would cease trading after the delivery of this season's product. The Directors were deeply disappointed by the need for this decision but the new brand had not progressed sufficiently well to make it sustainable

As a result of this decision 6 staff were made redundant