

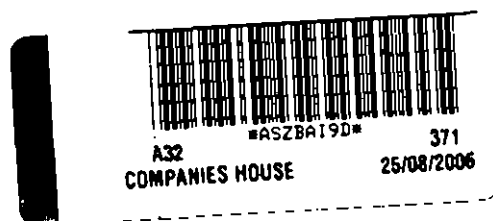
S. YAFFY LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31st DECEMBER 2005

REGISTERED NO. 17794 (SCOTLAND)



S. YAFFY LIMITED

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S. YAFFY LIMITED

DIRECTORS AND ADVISORS

Directors

Mr A Goldberg
Mr A Thomas
Mr G Pearson
Mr D Toon

Secretary

Mr G Pearson

Registered Office

310 Main Street
Bridgeton
Glasgow
G40 1LH

Bankers

The Royal Bank of Scotland
1 Exchange Flags
Liverpool L2 3XN

Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
8 Princes Parade
St Nicholas Place
Liverpool L3 1QJ

S. YAFFY LIMITED

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the year ended 31st December 2005.

ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company during the year was garment sourcing and manufacturing in the United Kingdom. The Company traded at a reduced level of operating profit for the year due to certain rationalisation and reorganisation costs.

On 31st December 2005, as part of the parent company's objective of consolidating its UK Corporatewear businesses, the Company sold its trade and assets to CCM Limited for market value. From that date the Company ceased trading. The Directors anticipate that this non-trading position will continue for the foreseeable future.

RESULTS AND DIVIDENDS

The Company's turnover and profit from trading operations for the year were as follows:

	2005 £000	2004 £000
Turnover, net of VAT	4,497	4,067
Operating profit	410	713

The Directors recommend the payment of a dividend of £800,000 (2004: nil).

The profit for the financial period after taxation was £1,688,000 (2004: £515,000).

DIRECTORS

A list of Directors of the Company is shown on page 1. All of the Directors held office throughout the year with the exception of K Mayes who was appointed on 29th April 2005 and resigned as a director on 31st January 2006.

DIRECTORS' INTERESTS

The interests of the Directors who were in office at 31st December 2005 in the share capital of the Parent Company, Johnson Service Group PLC, at the commencement or date of appointment if later, and the close of the financial year, other than D. Toon who is also a Director of that company, were:

Beneficial Interests	Ordinary Shares of 10p each	Options over Ordinary Shares of 10p each
A. Thomas		
25 th December 2004	-	30,000
31 st December 2005	-	52,500
G. Pearson		
25 th December 2004	-	35,000
31 st December 2005	-	56,674

No changes have occurred in these interests since 31st December 2005.

During the year A. Thomas and G. Pearson were granted 22,500 and 21,674 options respectively over shares in Johnson Service Group PLC.

S. YAFFY LIMITED

DIRECTORS' REPORT (CONTINUED)

EMPLOYMENT POLICIES

The employment policies of the Company embody the principles of equal opportunity and are tailored to meet the needs of its business and the local area in which it operates. All senior managers undergo diversity training. The involvement of employees in the performance of the business is encouraged and efforts are made to give all employees an understanding of the financial position through periodic Company newsletters. The Parent Company, Johnson Service Group PLC, operates an approved Savings Related Share Option Scheme for eligible employees.

The Company is committed to providing adequate training for employees at all levels and is constantly reviewing and improving its procedures.

Suitable procedures are in operation to support the Company's policy that disabled persons, whether registered or not, shall be considered for employment and subsequent training, career development and promotion on the basis of their aptitudes and abilities. Where members of staff become disabled every effort is made to ensure they are retrained according to their abilities.

HEALTH AND SAFETY

The Board is aware of its responsibilities on all matters relating to health and safety of employees, customers, visitors to Company premises and others affected by the Company's activities. A working party advises Directors and senior executives on all relevant issues relating to the compliance with health and safety legislation. The Company has clearly defined health and safety policies which follow current best practices and meet or exceed legal requirements. In particular, these policies clearly define the Company's aspirations for health and safety affairs, including protecting the health and well being of its employees, and ensuring that the responsibilities of all categories of employees within the Company are made clear to those concerned. Health and Safety matters are an agenda item at Board meetings.

The policy is brought to the attention of all employees and copies of policy documents are available upon request to all interested parties.

A clearly defined system is in place to identify, assess and control any significant risks faced by both employees and others. This is reviewed regularly by the Company's Health and Safety Manager.

The Company has adopted a computer based health and safety management system, which produces a quantified measure of line management control of health and safety. This system provides the basis for setting health and safety targets and driving a process of continuous improvement.

The Company has arrangements in place to consult employees regarding health and safety matters. There are regular meetings of regional and site based committees which comprise of employee representatives and health and safety representatives where appropriate.

AUDITORS

PricewaterhouseCoopers LLP will be re-appointed as the Company's auditors in accordance with the elective resolution passed by the Company under Section 386 of the Companies Act 1985.

S. YAFFY LIMITED

DIRECTORS' REPORT (CONTINUED)

POLICY ON PAYMENT TO SUPPLIERS

The Company fully supports the CBI initiative on payments to suppliers and has continued to apply the Prompt Payment Code in respect of all suppliers. The main features of the code are that payment terms are agreed at the outset of a transaction and are adhered to; that there is a clear and consistent policy that bills will be paid in accordance with the contract; and that there are no alterations to payment terms without prior arrangement. Copies of the Code can be obtained from the CBI. Trade creditor days of the Company for the year ended 31st December 2005 were 35 days, based on the ratio of Company trade creditors at the end of the year prior to the transfer of trade and assets to the amounts invoiced during the year by trade creditors.

ELECTIVE RESOLUTIONS

The Company has passed elective resolutions to dispense with the holding of Annual General Meetings, the laying of the report and accounts before the Company and the obligation to appoint auditors annually.

FINANCIAL RISK MANAGEMENT

The Company's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk and foreign currency risk. The Company is a wholly owned subsidiary of Johnson Service Group PLC, which manages the risk related to interest and exchange rate fluctuations on its behalf.

The Company obtains its financing through intra Group loan arrangements which are at floating rates of interest. Loans to or from the Ultimate Parent Company are repayable by the borrower in over one year and are classed as non current assets or liabilities.

The Company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

The policies set by the Ultimate Parent Company are implemented by the Group Treasury function on behalf of the Company and full details of these policies are disclosed in the annual report of Johnson Service Group PLC.

Credit Risk

The Company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual customer is subject to a limit, which is regularly re-assessed by the Board.

Liquidity Risk

The Company obtains funding from its Ultimate Parent Company, which has committed bank facilities available to provide continuity of funding.

Foreign Currency Risk

Foreign currency hedges are entered into on behalf of the Company by the Group Treasury function when considered appropriate.

S. YAFFY LIMITED

DIRECTORS' REPORT (CONTINUED)

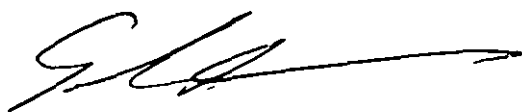
STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the Company and of its profit or loss for that period. The Directors are required to 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 suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31st December 2005 and that applicable accounting standards have been followed.

The Directors are responsible for keeping proper accounting records that 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.

By order of the Board

A handwritten signature in black ink, appearing to be 'G Pearson', written over a horizontal line.

G Pearson
Secretary
9 August 2006

S. YAFFY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF S. YAFFY LIMITED

We have audited the financial statements of S. Yaffy Limited for the year ended 31st December 2005 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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 law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent mis-statements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

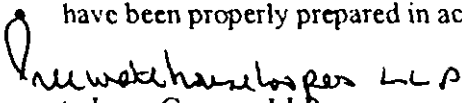
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or other irregularity 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31st December 2005 and of its profit for the year then ended; and

have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Liverpool
9 August 2006

S. YAFFY LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2005**

	Note	Year ended December 2005 £000	47 weeks ended December 2004 £000
Turnover	1	4,497	4,067
Cost of sales		<u>(3,324)</u>	<u>(2,758)</u>
Gross profit		1,173	1,309
Other operating expenses	2	<u>(763)</u>	<u>(596)</u>
Operating profit	3	410	713
Profit on disposal of discontinued operations	5	1,396	-
Net interest receivable	6	<u>3</u>	<u>29</u>
Profit before taxation		1,809	742
Tax on profit on ordinary activities	7	<u>(121)</u>	<u>(227)</u>
Profit after taxation		1,688	515
Dividends	8	<u>(800)</u>	<u>-</u>
Retained profit for the financial period	16	<u>888</u>	<u>515</u>

All operations are discontinued (note 5).

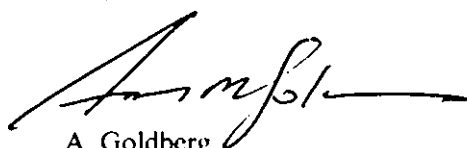
The Company has no recognised gains or losses relating to the financial year other than those included above, and therefore no separate statement of total recognised gains and losses has been presented.

S. YAFFY LIMITED

**BALANCE SHEET
AS AT 31ST DECEMBER 2005**

	Note	2005 £000	2004 £000
Fixed assets			
Tangible fixed assets	9	-	30
Investments	10	-	-
		<u>-</u>	<u>30</u>
Current assets			
Stocks	11	-	711
Debtors: amounts falling due within one year	12	2,720	606
Cash at bank and in hand		-	966
		<u>2,720</u>	<u>2,283</u>
Current liabilities			
Creditors: amounts falling due within one year	13	-	(481)
Net current assets		<u>2,720</u>	<u>1,802</u>
Total assets less current liabilities		<u>2,720</u>	<u>1,832</u>
Net assets		<u>2,720</u>	<u>1,832</u>
Capital and reserves			
Called up share capital	15	5	5
Capital redemption reserve	16	5	5
Profit and loss account	16	2,710	1,822
Equity shareholders' funds	17	<u>2,720</u>	<u>1,832</u>

These financial statements on pages 7 to 16 were approved at a meeting of the Board of Directors on 9 August 2006 and signed on their behalf by:



A. Goldberg
Director

S. YAFFY LIMITED

STATEMENT OF ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The historical cost convention has been used throughout these financial statements on a basis consistent with the prior period. The financial statements have been prepared in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom.

The Company has taken advantage of the exemption conferred by Section 228 of the Companies Act 1985 not to prepare group accounts as it is included in the accounts of a larger group, Johnson Service Group PLC.

TURNOVER AND INCOME RECOGNITION

Turnover represents the invoiced value of goods and services supplied exclusive of VAT. Income is recognised on dispatch of goods.

PENSION COSTS

The cost of providing retirement pensions, under defined contribution arrangements, is charged to the profit and loss account as contributions become payable. The Company provides no other post retirement benefits.

DEFERRED TAXATION

Deferred taxation is accounted for on an undiscounted basis at expected tax rates on all differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the profit and loss account. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset. A deferred tax asset is recognised when it is more likely than not there will be suitable taxable profits from which the future reversal of timing differences can be deducted.

TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost, less depreciation which is calculated to write off these assets by equal annual instalments, over their estimated useful lives. The estimated life of plant and fixtures is two to ten years and of vehicles, four years.

Following the implementation of FRS15, freehold and long leasehold buildings are depreciated over their estimated remaining useful life not exceeding 50 years commencing on 26th December 1999 or, if later, date of purchase.

STOCKS

Stocks of materials and goods for resale are valued at the lower of cost and net realisable value. Cost is stated on an average price basis and comprises invoiced cost in respect of the purchase of finished goods and materials, direct labour and a share of production overheads in respect of manufactured garments.

CASH FLOW STATEMENT

The Company has taken advantage of the exemption allowed under FRS1 (Revised) for a wholly owned subsidiary of a company incorporated in Great Britain not to produce a cash flow statement. Details of the cash flows of the Company are included in the consolidated financial statements of the holding company, Johnson Service Group PLC.

RELATED PARTY EXEMPTION

The Company has taken advantage of the available exemption under FRS8 "Related Party Transactions", not to provide details of transactions with other Group Companies.

S. YAFFY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2005

1. TURNOVER AND PROFIT BEFORE TAXATION

The Company had only one class of business in the United Kingdom in 2005. The analysis of turnover and profit before taxation by class of business and geographical location has not been given.

2. OTHER OPERATING EXPENSES

	Year ended December 2005 £000	47 weeks ended December 2004 £000
Consist of:		
Distribution costs	80	86
Administrative expenses	512	510
Rationalisation and reorganisation costs	171	-
	<hr/> 763	<hr/> 596

3. OPERATING PROFIT

	Year ended December 2005 £000	47 weeks ended December 2004 £000
Operating profit is stated after charging/(crediting):		
Depreciation of tangible fixed assets-owned (Profit) / loss on sale of tangible fixed assets	10 (4)	75 (1)
Auditors' remuneration		
- Audit services	12	3
- Non audit services	-	3
	<hr/> -	<hr/> 3

4. DIRECTORS AND EMPLOYEES

	Year ended December 2005 £000	47 weeks ended December 2004 £000
Staff costs during the period:		
Wages and salaries	634	564
Social security costs	65	62
Other pension costs	12	9
	<hr/> 711	<hr/> 635

	Number	Number
The average number of persons employed by the Company during the period was:		

Full time	24	40
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S. YAFFY LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2005****4. DIRECTORS AND EMPLOYEES (CONTINUED)**

	Year ended December 2005 £000	47 weeks ended December 2004 £000
Directors' Emoluments		
Aggregate emoluments (excluding employers' pension contributions but including bonuses earned and benefits in kind)	131	152
Payment to defined contribution money purchase scheme	12	19

At 31st December 2005, 1 Director (2004:1) was a member of a defined contribution money purchase scheme.

5. PROFIT ON DISPOSAL OF DISCONTINUED OPERATION

The profit on disposal relates to the sale of the trade and assets of the Company to CCM Limited for a consideration of £2,720,000 on 31st December 2005.

The net assets disposed of were:

	£000
Tangible fixed assets (note 9)	26
Stocks	841
Debtors	748
Cash at bank and in hand	358
Net inter-company balances	33
Creditors	(691)
Deferred tax asset (note 14)	9
	<hr/> 1,324
Cash consideration (note 12)	<hr/> 2,720
	<hr/>
Profit on disposal	<hr/> 1,396

6. NET INTEREST RECEIVABLE

	Year ended December 2005 £000	47 weeks ended December 2004 £000
Interest receivable on bank and cash deposits	<hr/> 3	<hr/> 29

S. YAFFY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2005

7. TAXATION

	Year ended December 2005 £000	47 weeks ended December 2004 £000
<i>Current taxation</i>		
UK corporation tax charge for the period at 30% (2004: 30%)	123	243
Current tax charge for the period	123	243
<i>Deferred taxation</i>		
Origination and reversal of timing differences	2	(20)
Adjustment in relation to previous years	(4)	4
Deferred tax credit for the period	(2)	(16)
Total tax charge for the period	121	227

The tax for the period is lower (2004: higher) than the standard rate of corporation tax in the UK.
The differences are explained below:

Profit on ordinary activities before taxation	1,809	742
Profit on ordinary activities before taxation multiplied by the standard rate of corporation tax in the UK of 30% (2004: 30%)	543	223
<i>Factors affecting charge for period:</i>		
Income not subject to tax	(418)	-
Capital allowances in excess of depreciation	(2)	20
	123	243

8. DIVIDENDS

	Year ended December 2005 £000	47 weeks ended December 2004 £000
First and final dividend for the year ended 31 st December 2005 of £177.77 (2004: nil) per ordinary share	800	-

S. YAFFY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2005

9. TANGIBLE FIXED ASSETS

	Freehold land and buildings £000	Plant, Fixtures and Transport £000	Total £000
Cost			
At 25 th December 2004	17	292	309
Additions	-	6	6
Disposals	-	(150)	(150)
Sales of trade and assets (note 5)	(17)	(148)	(165)
At 31 st December 2005	-	-	-
Depreciation			
At 25 th December 2004	9	270	279
Charge for the year	-	10	10
Disposals	-	(150)	(150)
Sale of trade and assets (note 5)	(9)	(130)	(139)
At 31 st December 2005	-	-	-
Net book value			
At 31 st December 2005	-	-	-
At 25 th December 2004	8	22	30

10. INVESTMENTS

	2005 £	2004 £
Investments in subsidiary undertaking	-	2

Prior to the transfer of trade and assets, the Company had the following investment in a non-trading subsidiary undertaking:

	Ordinary shares held	Percentage of total shares issued	Country of incorporation
Burnside Weatherware Limited	2	100%	UK

S. YAFFY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2005**

11. STOCKS

	2005 £000	2004 £000
Goods for resale	-	83
Work in progress	-	271
Raw materials and stores	-	357
	<u>-</u>	<u>711</u>

12. DEBTORS

	2005 £000	2004 £000
Amounts falling due within one year:		
Trade debtors	-	592
Prepayments	-	7
Amounts due from Group undertakings (note 5)	2,720	-
Deferred tax asset (note 14)	-	7
	<u>2,720</u>	<u>606</u>

13. CREDITORS

	2005 £000	2004 £000
Amounts falling due within one year:		
Trade creditors	-	102
Corporation tax	-	243
Other taxation and social security	-	101
Accruals	-	35
	<u>-</u>	<u>481</u>

14. PROVISION FOR LIABILITIES AND CHARGES

	Deferred taxation £000
At 25 th December 2004	(7)
Released during the year	(2)
Sale of trade and assets (note 5)	9
At 31 st December 2005	<u>-</u>

Deferred taxation

The deferred tax balance comprises the following:

	2005 £000	2004 £000
Accelerated capital allowances	-	(7)
Total deferred tax asset	<u>-</u>	<u>(7)</u>

The deferred tax asset was included in debtors (note 12).

S. YAFFY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2005

15. CALLED UP SHARE CAPITAL

	2005 £000	2004 £000
Authorised		
10,000 (2004: 10,000) Ordinary shares of £1 each	<u>10</u>	<u>10</u>
Allotted, called up and fully paid		
4,500 (2004: 4,500) Ordinary shares of £1 each	<u>5</u>	<u>5</u>

16. RESERVES

	Capital redemption reserve £000	Profit and loss account £000
At 25 th December 2004	5	1,822
Retained profit for the period	<u>-</u>	<u>888</u>
At 31 st December 2005	<u>5</u>	<u>2,710</u>

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Year ended December 2005 £000	47 weeks ended December 2004 £000
Profit for the financial period	1,688	515
Dividend	<u>(800)</u>	<u>-</u>
Net addition to shareholders' funds	888	515
Opening shareholders' funds	<u>1,832</u>	<u>1,317</u>
Closing shareholders' funds	<u>2,720</u>	<u>1,832</u>

18. PENSION SCHEME

The Company operates a defined contribution pension scheme. The profit and loss account charge for pensions for the year was £12,000 (47 weeks ended December 2004: £9,000). There were no contributions accrued or prepaid at the balance sheet date.

S. YAFFY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2005

19. FUTURE COMMITMENTS

Capital expenditure

There were no capital commitments at 31st December 2005 (2004: nil).

Revenue

The Company has no commitments under operating leases in respect of land and buildings nor in respect of plant and machinery.

20. CONTINGENT LIABILITY

The Company entered into a cross guarantee arrangement in favour of the Royal Bank of Scotland PLC regarding the banking facilities of the Group. No loss is expected to result from this arrangement.

21. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate and ultimate parent undertaking, which is the parent undertaking of the smallest and largest group to consolidate these financial statement and controlling party is Johnson Service Group PLC. Copies of the parent's consolidated financial statements may be obtained from The Secretary, Johnson Service Group PLC, Mildmay Road, Bootle, Merseyside L20 5EW.