

JacquesVert Plc

Annual Report 2009



Jacques Vert



www.jacques-vert.co.uk

Jacques Vert Plc, founded in 1972 and listed on the Alternative Investment Market of the London Stock Exchange is a retailer of four womenswear brands: Jacques Vert, Planet, Windsmoor and Precis Petite.

Financial highlights	52 weeks ended 25 April 2009	52 weeks ended 26 April 2008
Turnover	£110.9m	£114.9m
Gross margin % of turnover	61.5%	63.0%
Operating profit before exceptional items	£2.4m	£4.7m
Operating (loss)/profit	£(2.6)m	£5.0m
Basic (loss)/earnings per share – continuing operations	(1.97)p	1.87p
Fully diluted (loss)/earnings per share – continuing operations	(1.97)p	1.77p
Cash and cash equivalents	£4.5m	£2.5m
Shareholders' funds	£20.1m	£22.3m

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WINDSMOOR



www.windsmoor.co.uk

Chairman's statement

This year has been exceptionally challenging, in particular the period between September 2008 and early January 2009.

Retailers have faced very difficult conditions, in common with a number of other business sectors. Jacques Vert has performed creditably within this context. While I am disappointed to report a fall in operating profit, our continuing cash generation capabilities and strong balance sheet give the Group financial strength.

Our brands have continued to make progress in the current Spring season. This progress, together with the firm action taken to reduce the Group's cost base during the final Quarter, helps the Group to withstand the current uncertainty in the retail market and to position it to take advantage of any opportunities which may arise.

We announced the departure of Shena MacDonald as a Director on 28 April 2009 and I thank Shena for her contribution to the Group. The enthusiasm and commitment of our staff are impressive and I thank them all for their considerable efforts.

Steve Bodger Chairman

6 July 2009

PLANET



www.planet.co.uk

Chief Executive's statement

The year has without doubt included some of the most volatile trading conditions seen for some considerable period. We highlighted at the time of our Interim announcement the very difficult market, which we expected to continue for some time. I am pleased to report the market has returned to slightly more settled conditions since then, although we note that consumer confidence is fragile and the retail environment remains challenging.

Operating profit before exceptional items for the year of £2.4 million was down compared with the previous year (2008: £4.7 million). The operating loss of £2.6 million (after charging exceptional costs of £4.9 million) compares with an operating profit of £5.0 million (after a net exceptional credit of £0.3 million) in the previous year.

Sales of £110.9 million (2008: £114.9 million) represented a total decline of 3.5% and a reduction of 4.7% on a like-for-like basis compared with the prior year. This represents a continuation of the improvement in the like-for-like sales trend at the time of our Interim announcement when we reported the decline seen in the first half of 6.8% had reduced to a decline of 5.4% for the 11 weeks following the half-year end. This in part reflects the stronger product ranges of three of our four brands; Jacques Vert, Planet and Precis Petite. We believe this performance compares favourably with the womenswear market in general and in particular with the competitors against which we benchmark ourselves.

The market was also characterised by a significant increase in the level of discounting, especially in the final Quarter of 2008 and in early 2009. The Group was inevitably required to respond to this activity to ensure we achieved our primary focus which is to maintain stocks and cash within targeted levels. I am pleased we successfully achieved this objective and in fact stocks at the year end were £1.6 million lower than the prior year. One consequence though was that achieved gross margin was 61.5% compared with 63.0% in the prior year.

At the year end, the Group operated from around 1,000 trading outlets compared with around 940 outlets at the previous year end.

The Group also continued to exercise strict control on costs, identifying reductions where appropriate. Distribution costs before exceptional items, which comprise mainly the costs of operating stores, were £55.8 million (2008: £57.0 million). Administrative expenses before exceptional items of £10.0 million were £0.7 million lower than the previous year.

P R E C I S
P E T I T E



www.precis.co.uk

Chief Executive's statement

continued

Exceptional items

As part of our continuing emphasis on improving operational capability, the Group implemented further restructuring initiatives during the year at a total cost of £1.0 million. The restructuring, which included a number of staff redundancies costing £0.6 million during the final Quarter, will reduce the continuing annual overhead base by around £0.8 million.

The Board has also reviewed the trading prospects of each of the Group's retail property leases. Due to the level of occupancy expenses associated with a few of these leases, the Board has concluded, in common with a number of other retailers, that these leases are unlikely to generate a positive contribution in the foreseeable future. In addition, as part of the restructuring during the final Quarter, the Group vacated one of its leased office premises. Accordingly, we have treated all these as onerous leases which gave rise to an exceptional charge of £3.8 million.

Cash and financing

The Group has demonstrated a strong and continuous track record of cash generation over a significant number of years. I am pleased to report we achieved another good performance during the current year, resulting in net cash at the year end of £4.5 million (2008: £2.5 million).

We will continue to exercise strict control over working capital, operating costs and capital expenditure, managing and monitoring cash balances on a daily basis.

Current trading and prospects

Sales in the ten weeks since the year end decreased by 3.4% on a like-for-like basis which reflects a continuation of the improving trend experienced during 2008/09. Encouragingly, gross margin achieved during the ten weeks since the year end was 64.7% which compares favourably with 63.9% during the same period in the previous year.

Although economic conditions remain uncertain, the Group's balance sheet is stronger than it has ever been. We will continue to concentrate on further improving our brands, managing our margins, operating costs and cash flow to ensure we maximise profits during the coming year, while also moving the business forward in the medium term.

Paul Allen Chief Executive
6 July 2009

Directors' report

The Directors present their annual report together with the audited financial statements of the Group and the parent Company for the 52 weeks ended 25 April 2009.

Business review

The principal activity of the Group is the design and retail sale of high quality womenswear garments in the UK and overseas.

A review of the Group's operations, recent developments and prospects is set out in the Chief Executive's statement on pages 5 to 7.

Details of financial key performance indicators are set out on page 1.

The principal risks and uncertainties facing the Group relate to the continued difficult retail trading environment in the UK together with the fact that the majority of the Group's purchases of goods for resale are denominated in non-sterling currencies, principally the US dollar and Hong Kong dollar. In order to mitigate the financial consequences of exchange rate fluctuations, the Group enters into forward contracts to purchase currency based on forecast purchasing requirements.

A commentary on the approach adopted in managing the principal financial risks faced by the Group is given in note 24.

Banking facilities

Details of the banking facilities available to the Group are given in note 19 of the financial statements.

Results and dividends

The trading results for the period are set out in the Group Income Statement on page 13.

The loss for the year attributable to equity shareholders was £3,786,000 (2008: profit of £1,640,000). The retained earnings deficit increased to £6,973,000 (2008: £2,707,000). The Company had distributable profits of £5,412,000 (2008: £10,679,000).

The Directors do not recommend a dividend for the year (2008: £nil).

Share capital

Details of the Company's authorised and allotted share capital are given in note 21. All ordinary shares and the share premium thereon rank equally as a single class of equity. There are no restrictions on the transfer of shares or on the exercise of voting rights attached to them.

The rights and obligations attaching to the Company's ordinary shares, in addition to those conferred on their holders by law, are set out in the Company's Articles of Association ("the Articles"), copies of which can be obtained from Companies House in the UK or by writing to the Company Secretary.

The holders of ordinary shares are entitled to receive the Company's reports and accounts, to attend and speak at general meetings of the Company, to appoint proxies and to exercise voting rights.

Directors

The names and brief details of the current Directors are set out on page 11. On 28 April 2009 S MacDonald resigned as a Director of the Company. In accordance with the Company's Articles, I Johnson retires by rotation and, being eligible, offers himself for re-election at the forthcoming Annual General Meeting.

There were no contracts of significance during or at the end of the financial year in which a Director of the Company is or was materially interested.

Third-party indemnity cover was purchased by the Company on behalf of the Directors during the year.

Preparation of accounts

The Group has prepared its consolidated accounts under International Financial Reporting Standards as adopted by the EU (IFRS).

The financial statements of the Company have been prepared under UK GAAP and are included in the Annexure to the Annual Report on pages 41 to 48.

Takeover Directive

Pursuant to s992 of the Companies Act 2006, which implements the EU Takeover Directive, the Company is required to disclose certain additional information. Specifically, there are no significant agreements that take effect, alter or terminate upon a change of control of the Company following a takeover bid.

Substantial shareholdings

The Directors have been notified of the following shareholders who had an interest amounting to 3% or more in the ordinary shares of the Company as at 3 July 2009.

	Ordinary shares	
	Number	%
Waillim Limited	50,627,173	26.31
Schroder Investment Management Limited	44,644,899	23.20
Cavendish Asset Management	14,853,000	7.72
Henderson Global Investors	14,687,500	7.63
GAM	8,834,000	4.59

Annual General Meeting

The Annual General Meeting of the Company will be held on 28 September 2009.

Health and safety

It is the Group's policy to ensure that, so far as is reasonably practicable, there is a working environment which will minimise the risk to the health and safety of employees and to those persons who are authorised to be on its premises.

Charitable donations

During the year the Group made no charitable donations (2008: £nil). No political donations were made (2008: £nil).

Employees

The Directors place considerable value on the involvement of employees in the operation and development of the business and keep them informed on matters affecting them and the performance of the Group. Information is given at both formal and informal meetings throughout the Group.

In all employment matters, the Group maintains a commitment to an equal opportunity policy.

The Group continues to give full and fair consideration to applications for employment by disabled persons, having regard to their respective aptitudes and abilities. The Group has continued its policy of employee involvement by making information available to employees and encouraging their participation in schemes which are related to the Group's progress and profitability.

Payment policy and practice

It is the Group's policy to agree the terms of payment with all suppliers when agreeing the terms of each transaction, to ensure that all suppliers are made aware of the terms of payment and to abide by the terms of payment as far as possible. Group trade creditors at 25 April 2009 were equivalent to 86 days of purchases (2008: 87 days) made prior to that date.

Corporate governance

As an AIM listed Company, compliance with the Principles of Good Governance and Code of Best Practice (the "Combined Code") is not required. However, the Company seeks, where possible, to comply with the Combined Code to the extent that it is practicable and manageable for a group of such size.

The Board has two non-executive Directors, one of whom is independent. The Remuneration and Audit Committees are standing committees of the Board, have written terms of reference approved by the Board and are comprised of the non-executive Directors. C Baker chairs both the Audit and Remuneration Committees. He is also Chairman of the Jacques Vert (2006) Pension Scheme Trustee.

The Directors have responsibility for, and review on a regular basis, the Group's systems of internal controls. These are designed to provide reasonable assurance that assets are safeguarded.

The key elements of the Group's systems are summarised as follows:

- The organisation structure is clearly defined and managers are aware of the level of their authority.
- The Board of Directors holds regular meetings during the year to review the operating and financial performance of the business. The Board has a number of matters reserved for its approval including major capital expenditure and the development of Group budgets and plans.

Directors' responsibilities

The following statement, which should be read in conjunction with the report of the Independent Auditors set out on page 12, is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and of the Independent Auditors in relation to the financial statements.

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Directors' report

continued

Directors' responsibilities continued

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and parent Company financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. In preparing these financial statements, the Directors have also elected to comply with IFRS, issued by the International Accounting Standards Board ("IASB"). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these 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 that the financial statements comply with IFRS as adopted by the European Union; and
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company and the Group will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Group's websites. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors and the disclosure of information

So far as the Directors are aware, there is no relevant audit information, being information required by the auditors in connection with the preparation of the auditors' report, of which the auditors are unaware. Having made enquiries of fellow Directors and the Group's auditors, each Director has taken all steps that he is obliged to take as a Director in order to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the Company will be proposed at the Annual General Meeting.

By order of the Board

Nicholas Heard, Company Secretary
6 July 2009

Directors and advisers

Steve Bodger* Non-executive Chairman

Aged 60, he was appointed a non-executive Director in November 2004 and was appointed non-executive Chairman in November 2007. He is a Director of Alchemy Venture Partners Ltd, Armour Group PLC and Work Group PLC and is the Chairman of a number of private companies.

Paul Allen Chief Executive

Aged 45, he joined the Company from Price Waterhouse in October 1994 and was appointed Finance Director in August 1997 and Chief Executive in May 2003.

Christopher Baker* MBE Senior Independent Director

Aged 57, he joined the Board in March 1999. He is Chairman of the Audit and Remuneration Committees. He has a background in corporate finance and retail, is a non-executive Director of a number of public and private sector organisations and is non-executive Chairman of the Aintree University Hospitals NHS Foundation Trust. He is the Chairman of the Baird Group Pension Scheme Trustee and the Jacques Vert (2006) Pension Scheme Trustee.

Ian Johnson BSC ACA Finance Director

Aged 49, he joined the Board in November 2003. He qualified as a Chartered Accountant with Coopers & Lybrand in 1984 and has held a number of Finance Director positions within listed and private companies.

Company Secretary

Nicholas Heard

Registered office

46 Colebrooke Row, London N1 8AF

Registered number

1075752

Registrars and transfer office

Computershare Investor Services Plc
PO Box 82, The Pavilions
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Stockbrokers and financial advisers

Seymour Pierce
20 Old Bailey, London EC4M 7EN

Bankers

HSBC plc
60 Queen Victoria Street, London EC4N 4TR

Independent auditors

PricewaterhouseCoopers LLP
1 Embankment Place, London WC2N 6RH

* Member of the Remuneration and Audit Committees

Independent auditors' report to the members of Jacques Vert Plc

We have audited the Group financial statements of Jacques Vert Plc for the 52-week period ended 25 April 2009 which comprise the Group Income Statement, the Group Balance Sheet, the Group Cash Flow Statement, the Group Statement of Recognised Income and Expenses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 9 to 10, 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 Sections 495 and 496 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 Group'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 Group financial statements:

- give a true and fair view of the state of the Group's affairs as at 25 April 2009 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; 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 Group financial statements are prepared is consistent with the Group 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:

- 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.

Other matter

We have reported separately on the parent Company financial statements of Jacques Vert Plc for the year ended 25 April 2009.

Fiona Kelsey (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

6 July 2009

Group income statement

For the 52 weeks ended 25 April 2009

	Note	52 weeks ended 25 April 2009			52 weeks ended 26 April 2008		
		Before exceptional items £000	Exceptional items (note 4) £000	Total £000	Before exceptional items £000	Exceptional items (note 4) £000	Total £000
Continuing operations							
Revenue	3	110,884	–	110,884	114,935	–	114,935
Cost of sales		(42,652)	–	(42,652)	(42,535)	–	(42,535)
Gross profit	3	68,232	–	68,232	72,400	–	72,400
Distribution costs		(55,801)	(3,119)	(58,920)	(56,984)	–	(56,984)
Administrative expenses		(10,048)	(1,820)	(11,868)	(10,729)	334	(10,395)
Operating (loss)/profit	3	2,383	(4,939)	(2,556)	4,687	334	5,021
Finance income	5a			27			17
Finance costs	5b			(329)			(718)
(Loss)/profit before income tax	3,6			(2,858)			4,320
Income tax expense	8			(928)			(774)
(Loss)/profit for the year from continuing operations				(3,786)			3,546
Discontinued operations							
Net loss from discontinued operations	9			–			(1,906)
(Loss)/profit for the year attributable to equity holders of the Company	23			(3,786)			1,640
Earnings per share for (loss)/profit and loss from discontinued operations attributable to the equity holders of the Company during the year							
Basic (loss)/earnings per share 11							
Continuing operations				(1.97)p			1.87p
Discontinued operations				–			(1.00)p
Total				(1.97)p			0.87p
Diluted (loss)/earnings per share 11							
Continuing operations				(1.97)p			1.77p
Discontinued operations				–			(0.95)p
Total				(1.97)p			0.82p

The notes on pages 17 to 40 form part of these financial statements.

The financial statements of the parent Company have been prepared under UK GAAP and are set out in the Annexure on pages 41 to 48.

Group statement of recognised income and expense

For the 52 weeks ended 25 April 2009

	52 weeks ended 25 April 2009 £000	52 weeks ended 26 April 2008 £000
Actuarial loss arising in defined benefit pension scheme	(207)	(220)
Gain on cash flow hedges	1,856	559
Currency translation differences	246	295
Net income recognised directly in equity	1,895	634
(Loss)/profit for the year	(3,786)	1,640
Total recognised (expense)/income for the year attributable to equity holders of the Company	(1,891)	2,274

The notes on pages 17 to 40 form part of these financial statements.

Group balance sheet

At 25 April 2009

	Note	25 April 2009 £000	26 April 2008 £000
Non-current assets			
Goodwill	12	2,431	2,431
Property, plant and equipment	13	3,703	4,444
Deferred tax asset	14	1,900	2,638
		8,034	9,513
Current assets			
Inventories	15	23,375	24,942
Trade and other receivables	16	10,566	11,802
Derivative financial instruments	17	3,552	202
Cash and cash equivalents		4,533	2,511
		42,026	39,457
Current liabilities			
Trade and other payables	18	(21,012)	(20,353)
Derivative financial instruments	17	(261)	(10)
		(21,273)	(20,363)
Non-current liabilities			
Deferred income	18	(589)	(722)
Long-term provisions	20	(7,623)	(5,130)
Pension schemes	20	(434)	(450)
		(29,919)	(26,665)
Total liabilities		(29,919)	(26,665)
Net assets		20,141	22,305
Equity			
Called up share capital	21	19,244	19,244
Share premium	23	4,599	4,599
Merger reserve	23	969	969
Hedge reserve	23	2,056	200
Translation reserve	23	246	–
Retained earnings	23	(6,973)	(2,707)
Total equity		20,141	22,305

The notes on pages 17 to 40 form part of these financial statements.

The financial statements on pages 13 to 40 were approved by the Board on 6 July 2009 and were signed on its behalf by:

P C Allen, Director

I P Johnson, Director

Group cash flow statement

For the 52 weeks ended 25 April 2009

	Note	52 weeks ended 25 April 2009 £000	52 weeks ended 26 April 2008 £000
Cash flows from operating activities			
Net cash inflow from continuing operations	28	3,178	5,336
Interest paid		(208)	(448)
Income tax paid		(189)	(41)
Cash outflow from discontinued operations		–	(575)
Net cash generated from operating activities		2,781	4,272
Cash flows from investing activities			
Disposal of subsidiary		–	524
Purchase of property, plant and equipment		(1,089)	(1,458)
Proceeds from sale of property, plant and equipment		16	–
Interest received		27	17
Net cash used in investing activities		(1,046)	(917)
Cash flows from financing activities			
Loan repayment		–	(4,500)
Sale of shares by ESOP Trust	22	9	28
Net cash generated/(used) from financing activities		9	(4,472)
Net increase/(decrease) in cash and cash equivalents		1,744	(1,117)
Cash and cash equivalents at beginning of period		2,511	3,644
Exchange rate movements		278	(16)
Cash and cash equivalents at end of period		4,533	2,511

The notes on pages 17 to 40 form part of these financial statements.

Notes to the financial statements

For the 52 weeks ended 25 April 2009

1 Accounting policies

Basis of preparation

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU, International Financial Reporting Interpretations Committee ("IFRIC") interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The following IFRS issued by the International Accounting Standards Board ("IASB") has become effective since 26 April 2008 but has not had a material impact on the results or the net assets of the Group:

- IFRS 7, *Financial Instruments – Disclosure* and the complementary amendment to IAS1, *Presentation of Financial Statements – Capital Disclosures* introduces new disclosures relating to financial instruments and does not have any impact on the classification or valuation of the Group's financial instruments.

The following IFRS, amendments and interpretations have been issued by the IASB and are required to be implemented by the Group from May 2009, unless noted otherwise below. The Group has chosen not to adopt them early and none is expected to have a material impact on the results or the net assets of the Group:

- IAS 1 (revised), *Presentation of financial statements* was issued in September 2007. It provides guidance on the overall structure of financial statements, including the minimum requirements for each primary statement.
- IFRS 8, *Operating Segments* was issued in November 2006. It replaces IAS14, *Segmental Reporting* and requires operating segments to be disclosed on the same basis as that used for internal reporting.
- IAS 23 (revised), *Borrowing Costs* was issued in March 2007. It removes the option of immediately expensing borrowing costs that are directly attributable to a qualifying asset and requires that such costs be capitalised.

- IAS 27 (revised), *Consolidated and separate financial statements* were issued in January 2008. They are required to be implemented by the Group from May 2010.
- Amendment to IAS 32, *Financial Instruments: Presentation* and the related amendment to IAS 1, *Presentation of Financial Statements* clarifies the treatment of certain types of financial instrument in the financial statements.
- Amendment to IFRS 2, *Share-based payments* clarifies the definition of vesting conditions of some types of share-based payment.
- IFRIC 13, *Customer loyalty programmes* clarifies the treatment of transactions made under such schemes;
- IFRIC 14, *IAS 19 – the limit on a defined benefit asset, minimum funding requirements and their interaction* clarifies the amount at which pension scheme assets should be recognised in the financial statements;
- IFRIC 12, *Service concession agreements* is not relevant for the Group.

Accounting convention

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities at fair value.

Basis of consolidation

The Group financial statements consolidate the results of Jacques Vert Plc ("the Company") and its subsidiary undertakings under acquisition accounting for the 52 weeks ended 25 April 2009. Under this method, the assets and liabilities of subsidiary undertakings acquired are incorporated at their fair value at the date of acquisition and the Group income statement includes only that proportion of the result of subsidiaries arising whilst meeting the definition of a subsidiary.

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Notes to the financial statements

For the 52 weeks ended 25 April 2009

continued

1 Accounting policies continued

Revenue recognition

Revenue represents sales by the Group to third parties, net of returns, trade discounts and value added tax.

Retail revenue is shown net of provisions for customer returns representing the Group's estimate of the amount of product sold during the year that will be returned in the following year.

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer which is generally when goods are delivered to the customer.

Borrowing costs

The costs of providing the committed borrowing facility to the Group are spread across the lifetime of the facility.

Borrowing costs arising in relation to capital expenditure are not capitalised.

Exceptional items

Transactions that are material in size or have little or no impact on the core, continuing activities of the Group are considered significant enough to warrant separate disclosure in the primary financial statements. These are highlighted as Exceptional items in the Group Income Statement and analysed in the notes to the financial statements. Such transactions are treated consistently in each period that they arise.

Share based payments

The Group operates an equity settled Employee Share Ownership Plan ("ESOP"). The Group has also granted equity settled share options ("Options"). Share awards made under the ESOP and the Options are measured at fair value at the date of grant. The fair value is measured by use of the Black-Scholes model and expensed on a straight-line basis over the vesting period based on an estimate of the number of shares that will eventually vest.

The level of vesting is reviewed annually and the charge is adjusted to reflect actual and estimated levels of vesting.

Shares held by the Employee Share Ownership Trust ("the Trust") to meet the commitments of the ESOP are shown as a deduction from shareholders' equity. The cost of the ESOP is borne by the Group.

Pensions

The Group operates several defined contribution and defined benefit schemes for its employees.

Defined contribution schemes are pension schemes under which the Group pays fixed contributions into separate entities. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Defined benefit schemes are pension schemes that are not defined contribution schemes.

The liability recognised in the Balance Sheet in respect of defined benefit pension schemes is the present value of the defined benefit obligation at the Balance Sheet date less the fair value of plan assets, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in the Statement of Recognised Income and Expense ("SORIE") in the period in which they rise.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisitions over the Group's interest in the fair value of the identifiable assets and liabilities of the acquired entities at the date of acquisition.

Goodwill is recognised as an asset and is assessed for impairment at least annually. Any impairment is recognised immediately in the Income Statement and is not subsequently reversed.

Upon disposal of a subsidiary the attributable goodwill is included in the calculation of the profit or loss arising on disposal.

1 Accounting policies continued

Taxation

The tax charge comprises current tax payable and the movement on deferred tax.

The current tax payable is provided on taxable profits using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is recognised at tax rates that are enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is more likely than not that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax liabilities on net earnings in overseas subsidiaries are provided only to the extent that at the balance sheet date it is probable that dividends will be remitted to the UK.

Property, plant and equipment

Property, plant and equipment are stated at the lower of cost less accumulated depreciation and recoverable amount. Depreciation is calculated so as to write off the cost of property, plant and equipment less any residual value over their estimated useful economic lives by equal annual instalments at the following rates:

Leasehold improvements	Remaining period of the lease
Plant, fixtures and equipment	10% – 33%
Freehold property	2% – 5%

Land is not depreciated.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Asset carrying values are written down immediately to the estimated recoverable amount where the estimated recoverable amount is less than the carrying value.

Operating leases

Rentals payable under operating leases are charged to the Income Statement on a straight-line basis over the life of the lease.

The value of any lease incentives received on leasehold properties is recognised as deferred income and released to the Income Statement on a straight-line basis over the life of the lease.

Inventories

Inventories and work in progress are valued at the lower of cost and net realisable value. Cost comprises the cost of direct materials and labour and an appropriate proportion of overheads. Net realisable value is the value at which inventories and work in progress can be realised in the ordinary course of business.

Foreign currencies

Transactions denominated in foreign currencies are translated at the exchange rates at the date of the transaction. Foreign exchange gains and losses arising from such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

The results and financial position of subsidiaries which have a functional currency other than Sterling are translated as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the balance sheet;
- income and expenses for each Income Statement presented are translated at weighted average exchange rates; and
- all resulting exchange differences are recognised as a separate component of equity until the disposal of the relevant subsidiary when they are recycled to the Income Statement.

Financial instruments

a) Trade receivables and payables

Trade receivables are recorded at their nominal amount less an allowance for any doubtful debts. Trade payables are held at their nominal value.

b) Derivative financial instruments

The Group uses derivative financial instruments, in particular forward currency contracts, to manage the financial risks associated with the Group's underlying business activities and the financing of those activities. Such financial instruments are initially recorded at fair value and are thereafter revalued to fair value at each balance sheet date. The Group does not enter into speculative currency contracts.

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For the 52 weeks ended 25 April 2009

continued

1 Accounting policies continued

Gains or losses on derivative financial instruments that are designated as effective hedges against future cash flows are recognised directly in equity ("hedge accounting"). Any gain or loss relating to an ineffective hedge or a derivative financial instrument that does not qualify for hedge accounting is immediately recognised in the Income Statement, and where material as an exceptional item.

Where a hedged commitment results in the recognition of an asset or a liability, the gain or loss on the hedge previously recognised in equity is thereafter included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of an asset or liability, amounts deferred in equity are recognised in the Income Statement in the same period in which the hedged commitment affects profit and loss.

Hedge accounting ceases in respect of a financial instrument when it expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. The cumulative gain or loss relating to the instrument that has previously been recognised in equity is retained in equity until the hedged transaction occurs.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

2 Critical estimates and judgements

The preparation of financial statements under IFRS requires management to make estimates that affect the reported amounts of assets and liabilities, income and expenses. These estimates are based on historical experience and various other factors that are believed to be reasonable in the particular circumstance. Actual results may differ from these estimates.

The Group's critical judgement areas relate to the recognition of pension scheme assets, legacy business provisions including industrial diseases, together with the assessment of the highly probable nature of cash flow hedges as follows:

Provisions

Provisions are recognised when either a legal or constructive obligation, as a result of a past event, exists at the balance sheet date and where the likely outcome and the amount of the obligation can be measured with reasonable certainty. Provisions are discounted at an appropriate discount rate.

Impairments

Impairments are made against Group assets under the following conditions:

Goodwill

Goodwill is allocated to the Group's cash generating units ("CGU's") and the recoverable amount of each CGU is determined based on a value-in-use calculation where appropriate.

Property, plant and equipment

Property, plant and equipment is tested when circumstances indicate a possible impairment. In those circumstances a value-in-use calculation is performed.

Assumptions used in the calculations for Goodwill and Property, plant and equipment are based on performance and the latest financial plans approved by the Board. If the recoverable amount of a CGU is less than the carrying value of all assets allocated to that CGU, an impairment is recognised.

Goodwill is the first asset class to be impaired, followed by property, plant and equipment.

a) Pension scheme assets – Jacques Vert (2006) Pension Scheme

Any repayment to the Group of the surplus held within the scheme at 25 April 2009 is at the discretion of the pension scheme Trustee. It is currently considered that no repayment will be made to the Group in the future.

b) Legacy and other business provisions

The level of provisions held against legacy and current activities is assessed with reference to payments made during the period, expectations of future payments and receipts, and, where relevant, to independent advice.

c) Cash flow hedges

Cash flow hedges are tested for effectiveness based on estimated currency requirements assuming a substantially consistent supplier base.

3 Segment information

A segment is a distinguishable component of the Group that is engaged in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from other segments.

The principal activity of the Group is the design and retail sale of high quality womenswear garments in the UK and overseas. During the period ended 26 April 2008, the Group was also engaged in the manufacture of garments in Sri Lanka. The manufacturing business was discontinued during the 52 weeks ended 26 April 2008 and is excluded from the segmental analysis below.

Primary reporting segment – geographical

	52 weeks ended 25 April 2009			52 weeks ended 26 April 2008		
	UK £000	Non-UK £000	Total £000	UK £000	Non-UK £000	Total £000
Continuing operations						
Revenue	90,401	20,483	110,884	96,532	18,403	114,935
Cost of sales	(33,680)	(8,972)	(42,652)	(33,517)	(9,018)	(42,535)
Gross profit	56,721	11,511	68,232	63,015	9,385	72,400
Operating costs	(54,962)	(10,887)	(65,849)	(58,873)	(8,840)	(67,713)
Operating profit before exceptional items	1,759	624	2,383	4,142	545	4,687
Exceptional items	(4,939)	–	(4,939)	334	–	334
Operating (loss)/profit	(3,180)	624	(2,556)	4,476	545	5,021
Net finance expense			(302)			(701)
(Loss)/profit before tax			(2,858)			4,320
Total assets	46,401	3,659	50,060	44,243	4,727	48,970
Total liabilities	(29,183)	(736)	(29,919)	(25,243)	(1,422)	(26,665)
	17,218	2,923	20,141	19,000	3,305	22,305

The non-UK segment relates mainly to Canada and Ireland. Revenue by destination is not materially different from revenue by geographic origin.

Secondary reporting segment – business

The continuing operations and assets of the Group are principally employed in the retail of womenswear. Accordingly, no segment analysis by business type is provided.

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For the 52 weeks ended 25 April 2009

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4 Exceptional items

The Group's operating profit for the period includes the following exceptional items:

	52 weeks ended 25 April 2009 Total £000	52 weeks ended 26 April 2008 Total £000
Restructuring costs	(1,030)	(406)
Onerous property costs	(3,809)	(515)
Increase in other legacy provisions	(100)	(100)
Phantom option granted to the Jacques Vert (2006) pension scheme Trustee over ten million shares in Jacques Vert Plc	–	1,355
	(4,939)	334

Legacy business refers to activities acquired as part of William Baird Ltd (formerly William Baird PLC) and considered by the Directors to constitute separate activities. These include provisions relating to pension deficits and other legacy business issues (see note 20 for further details).

Of the exceptional items it is expected that approximately £4,689,000 will be deductible from UK corporation tax between the current financial year and 2022/23.

The exceptional items within continuing operations gave rise to a cash outflow during the year of £404,000 (2008: £243,000).

5 Finance income and costs

	52 weeks ended 25 April 2009 £000	52 weeks ended 26 April 2008 £000
a) Finance income		
Interest receivable	27	17
b) Finance costs		
Interest payable	(208)	(448)
Unwinding of discount relating to provisions	(101)	(270)
Net finance cost of pension schemes	(20)	–
	(329)	(718)

6 Profit before taxation

Profit before taxation is stated after charging the following:

	52 weeks ended 25 April 2009 £000	52 weeks ended 26 April 2008 £000
Fees payable to Company auditor for the audit of parent Company and consolidated financial statements	80	106
Fees payable to Company auditor and its associates for other services:		
– the audit of the Company's subsidiaries pursuant to legislation	6	8
– other services pursuant to legislation	13	15
– tax services	43	88
Other services provided by the Company's auditors	18	13
Depreciation of owned property, plant and equipment	1,660	1,668
Loss on disposal of fixed assets	104	279
Rentals payable under operating leases	4,698	4,815

7 Staff numbers and costs

The average number of employees (including executive directors) and their aggregate remuneration was as follows:

	52 weeks ended 25 April 2009 Number	52 weeks ended 26 April 2008 Number
Production	–	747
Sales, distribution and administration	187	253
Retail	1,052	1,077
	1,239	2,077
	£000	£000
Wages and salaries	21,850	23,612
Social security costs	1,386	1,415
Other pension costs	204	254
	23,440	25,281

Notes to the financial statements

For the 52 weeks ended 25 April 2009

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8 Income tax expense

The tax charge comprises:

	52 weeks ended 25 April 2009 £000	52 weeks ended 26 April 2008 £000
Current tax		
Overseas tax charge	190	52
Deferred tax		
Origination and reversal of timing differences	738	722
Total tax charge	928	774

The tax assessed for the year is higher (2008: higher) than the standard rate of corporation tax in the UK of 28% (2008: 30%). The differences are explained below:

	52 weeks ended 25 April 2009 £000	52 weeks ended 26 April 2008 £000
(Loss)/profit on ordinary activities before tax	(2,858)	4,320
(Loss)/profit on ordinary activities before tax multiplied by the standard rate of corporation tax in the UK of 28% (2008: 30%):	(800)	1,296
Effects of:		
Non-deductible expenditure	319	698
Non-taxable income	–	(553)
Overseas tax charge	38	37
Capital losses not recognised	–	(97)
Net tax effect of short-term timing differences not recognised	1,371	(514)
Tax effect of rate change on short-term timing differences	–	(93)
	928	774

9 Discontinued operations

	52 weeks ended 25 April 2009 £000	52 weeks ended 26 April 2008 £000
Analysis of the results of discontinued operations		
Revenue	–	759
Expenses	–	(1,213)
Operating exceptional items	–	–
Operating loss	–	(454)
Net finance charge	–	(16)
Loss on sale of subsidiary	–	(1,436)
Loss before tax	–	(1,906)
Tax	–	–
Loss after tax	–	(1,906)

Discontinued operations in the year to 26 April 2008 relate to Bairdwear Interfashion (Pvt) Ltd, a wholly owned subsidiary, which was disposed of by the Group on 31 January 2008.

10 Directors' emoluments

The key management of the Group consists of the Directors, whose remuneration for the year is as follows:

	Salary/fees £000	Performance related bonus £000	Benefits in kind ¹ £000	2009 Total £000	2008 Total £000
<i>Executive directors</i>					
P Allen	302	91	36	429	387
I Johnson	181	54	23	258	200
S MacDonald ²	231	40	28	299	253
<i>Non-executive directors</i>					
C Baker	45	–	1	46	46
S Bodger ³	55	–	–	55	43
D Lovelock ⁴	–	–	–	–	28
	814	185	88	1,087	957

Notes

¹ Benefits in kind typically include provision of a company car, fuel or allowances in lieu of these and private medical insurance.

² S MacDonald resigned on 28 April 2009.

³ S Bodger's fees are paid to Stratys Ltd, a company in which S Bodger has a beneficial interest.

⁴ D Lovelock resigned on 1 November 2007.

Performance related bonuses are at the discretion of the Remuneration Committee and are determined on the basis of targets agreed at the outset of the year for the achievement of financial performance and personal objectives.

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For the 52 weeks ended 25 April 2009

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10 Directors' emoluments continued

Directors' beneficial interests

Directors' beneficial interests in the allotted share capital of the parent Company as at 25 April 2009 and 26 April 2008 were as follows:

	25 April 2009	26 April 2008
P Allen	1,057,794	1,057,794
C Baker	10,000	10,000
I Johnson	695,671	695,671
S MacDonald	881,153	881,153

Long-term Incentive Plan

In addition to the Matching Share awards, the following shares were extant under the Plan:

	At 25 April 2009	At 26 April 2008	Market value of shares at date of award	Date on which exercisable
P Allen	–	323,714	17.50p	10 August 2009
P Allen	286,049	286,049	20.50p	24 August 2010
P Allen	616,327	–	9.88p	18 August 2011
I Johnson	–	194,224	17.50p	10 August 2009
I Johnson	171,707	171,707	20.50p	24 August 2010
I Johnson	370,000	–	9.88p	18 August 2011
S MacDonald	–	247,200	17.50p	10 August 2009
S MacDonald	218,537	218,537	20.50p	24 August 2010
S MacDonald	470,918	–	9.88p	18 August 2011

Details of the performance criteria attaching to awards under the Plan are set out in note 22.

The Company has acquired shares through the Jacques Vert Plc Employee Share Ownership Plan to partly satisfy existing and future grants of rights over shares under the Plan.

10 Directors' emoluments continued

Options over ordinary shares

	At 25 April 2009	At 26 April 2008	Exercise price	Date from which exercisable	Expiry date
P Allen	250,000	250,000	18.00p	30 March 2003	30 March 2010
P Allen ¹	3,000,000	3,000,000	15.25p	17 October 2005	17 October 2012
P Allen	750,000	750,000	17.25p	9 July 2007	9 July 2014
I Johnson	1,500,000	1,500,000	17.25p	9 July 2007	9 July 2014
S MacDonald	2,500,000	2,500,000	17.25p	9 July 2007	9 July 2014

¹ The 3,000,000 options granted to P Allen are exercisable subject to a performance condition that the closing mid-market price of a share in the Company exceeds the exercise price by at least 130% on each day for a period of ten consecutive working days between 17 October 2005 and 17 October 2009. This performance condition has been met and the options have now vested.

No share options were exercised during the year.

The share options were granted at no cost to any of the Directors. The mid-market closing price of ordinary shares in the Company on 25 April 2009 (as derived from the London Stock Exchange Daily Official List) was 7.00p and the range during the year was 3.125p to 11.0p.

Directors' pensions

In addition to the emoluments shown above, the Company contributed the following amounts in respect of the Directors' pension arrangements, none of which is held in Group schemes (note 25):

	52 weeks ended 25 April 2009 £000	52 weeks ended 26 April 2008 £000
P Allen	45	44
I Johnson	27	26
S MacDonald	35	33

11 Earnings per share

Basic/diluted earnings per share

The basic earnings per share have been calculated by dividing the profit after taxation for the year by 191,955,441 (2008: 189,131,344) being the weighted average number of shares in issue during the year excluding those held by the Employee Share Ownership Trust ("the Trust"). At 25 April 2009 488,637 shares were held in the Trust (26 April 2008: 734,209).

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Group has two classes of dilutive potential ordinary shares: those share options granted to employees where the exercise price is lower than the average market price of the Company's ordinary shares during the year and the awards under the Jacques Vert Plc Long-Term Incentive Plan ("the Plan") to the extent that performance criteria attached to those awards are expected to be met.

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For the 52 weeks ended 25 April 2009

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12 Goodwill and investments

£000

Goodwill – Cost and net book value

At 28 April 2007, 26 April 2008 and 25 April 2009

2,431

Goodwill arose on the purchase of William Baird Ltd (formerly William Baird PLC) on 12 December 2002.

Goodwill is allocated to the Group's cash generating units. The recoverable amount, determined by a value-in-use calculation, is considered by the Directors to be in excess of the book value. Accordingly, no impairment charge has been made against goodwill.

Investments

The principal subsidiary undertakings of which the ordinary share capital is wholly-owned are shown in note A5 of the Annexure to these financial statements.

13 Property, plant and equipment

	Freehold land and buildings £000	Short leasehold £000	Plant, fixtures and equipment £000	Total £000
Cost				
At 28 April 2007	356	1,568	13,285	15,209
Additions	–	382	1,096	1,478
Disposals	(371)	–	(259)	(630)
Exchange rate adjustments	15	–	39	54
At 26 April 2008	–	1,950	14,161	16,111
Additions	–	20	965	985
Disposals	–	(111)	(59)	(170)
Exchange rate adjustments	–	–	121	121
At 25 April 2009	–	1,859	15,188	17,047
Depreciation				
At 28 April 2007	191	665	9,374	10,230
Disposals	(201)	–	(75)	(276)
Charge for the year	–	200	1,468	1,668
Exchange rate adjustments	10	–	35	45
At 26 April 2008	–	865	10,802	11,667
Disposals	–	(28)	(22)	(50)
Charge for the year	–	263	1,397	1,660
Exchange rate adjustments	–	–	67	67
At 25 April 2009	–	1,100	12,244	13,344
Net book value				
At 25 April 2009	–	759	2,944	3,703
At 26 April 2008	–	1,085	3,359	4,444

14 Deferred tax asset

	Deferred tax asset £000
At 26 April 2008	2,638
Charge to the Income Statement	(738)
At 25 April 2009	1,900

Deferred tax assets have been recognised only to the extent that it is more likely than not that they will be recoverable against future taxable profits.

The deferred tax asset recognised at 25 April 2009 represents:

	25 April 2009 £000	26 April 2008 £000
Depreciation in excess of capital allowances	1,218	1,305
Tax losses	463	1,114
Other timing differences	219	219
	1,900	2,638

Unrecognised deferred tax assets at 25 April 2009 are £12,148,000 (2008: £10,709,000) comprised:

	25 April 2009 £000	26 April 2008 £000
Depreciation in excess of capital allowances	7,740	7,069
Tax losses	2,924	2,695
Other timing differences	1,484	945
	12,148	10,709

Factors affecting future tax charges

The Group has brought forward tax losses and depreciation in excess of capital allowances, the deferred tax assets on which have been recognised in part. This reflects the estimated recoverability of the assets in the foreseeable future. Where deferred tax assets have not been recognised this has been due to uncertainty over the availability of suitable profits in the foreseeable future.

No deferred tax has been recognised on the unremitted earnings of overseas subsidiaries. No significant amounts of tax are expected to be payable due to availability of double tax relief and losses in the United Kingdom.

15 Inventories

Inventories comprise finished goods valued at £23,375,000 (2008: £24,942,000). The cost of inventories recognised as an expense and included within cost of sales amounted to £41,473,000 (2008: £42,017,000).

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For the 52 weeks ended 25 April 2009

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16 Trade and other receivables

	25 April 2009 £000	26 April 2008 £000
Trade receivables	7,844	8,799
Other receivables	51	615
Prepayments and accrued income	2,671	2,388
	10,566	11,802

All trade and other receivables are due within one year. No provision is held against trade receivables at 25 April 2009 (2008: £nil).

17 Derivative financial instruments

	25 April 2009		26 April 2008	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Forward foreign exchange contracts				
– cash flow hedges	3,552	(261)	202	(10)

Derivative financial instruments are used to hedge exposure to fluctuations in foreign exchange rates that arise in the normal course of the Group's business.

An analysis of financial instruments held and the Group's risk management policies is given in note 24.

Gains and losses on forward foreign exchange contracts as at 25 April 2009 are held in equity and will be released to the Income Statement as the hedged transactions fall due, which is up to 12 months after the balance sheet date. The ineffective portion arising from cash flow hedges recognised in the Income Statement is £nil (2008: £nil).

18 Trade and other payables

	25 April 2009 £000	26 April 2008 £000
Amounts due within one year:		
Trade payables	11,089	11,266
Overseas corporation tax creditor	144	166
Other taxation and social security	1,133	1,816
Other creditors	2,283	1,781
Accruals	5,982	5,232
Deferred income	381	92
	21,012	20,353
Amounts due after one year:		
Deferred income	589	722

19 Borrowings

The Group has recently agreed debt facilities totalling £21 million with HSBC plc ("the Bank"). These comprise a £4 million overdraft and £17 million import line. The Bank has also agreed a \$15 million forward exchange contract facility. All facilities are due for renewal on 31 July 2010.

Bank borrowings are secured by debentures and fixed and floating charges over the Group's assets. Certain Group companies have also given unlimited multilateral cross guarantees to the Bank as security for their liabilities.

20 Provisions for liabilities and charges

	Pension schemes £000	Pension settlement costs £000	Other legacy business provisions £000	Total £000
At 29 April 2007	442	2,239	5,181	7,862
Utilised	(212)	(324)	(1,469)	(2,032)
(Credited)/charged to income statement	–	(1,255)	515	(740)
Actuarial loss on pension schemes	220	–	–	220
Discount unwinding	–	–	270	270
At 26 April 2008	450	660	4,470	5,580
Utilised	(243)	(347)	(1,042)	(1,632)
Charged to the income statement	20	100	3,681	3,801
Actuarial loss on pension schemes	207	–	–	207
Discount unwinding	–	–	101	101
At 25 April 2009	434	413	7,210	8,057

See note 25 for further details relating to the movements on the Group's pension schemes during the year.

Pension settlement costs in the prior year include the fair value of a phantom option over ten million shares in Jacques Vert Plc granted to the Trustee of the Baird Group Pension Scheme.

Other legacy business provisions relate to onerous leasehold property, dilapidations and claims against the Group in respect of industrial diseases, mainly asbestosis. These provisions are expected to be utilised over the next 15 years. Where applicable, future liabilities have been discounted using a rate of 10% per annum.

21 Called up equity share capital

	25 April 2009 £000	26 April 2008 £000
Authorised:		
250,000,000 (2008: 250,000,000) Ordinary shares of 10p each	25,000	25,000
Allotted and fully paid:		
192,444,078 (2008: 192,444,078) Ordinary shares of 10p each	19,244	19,244

All ordinary shares and the share premium thereon rank equally as a single class of equity.

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22 Long-term incentive plan

The Jacques Vert Plc Employee Share Ownership Plan Trust ("the Trust") holds shares for its own benefit in order to partly hedge the Group's obligations under the Long-term Incentive Plan ("the Plan"). Movements in the holdings of the Trust during the year ended 25 April 2009 were as follows:

	Number of shares	Purchase cost £000	Nominal value £000	Total issued share capital %
At 26 April 2008	734,209	94	73	0.4
Vesting	(245,572)	(31)	(24)	(0.1)
Sales	(90,459)	(9)	(9)	(0.1)
At 25 April 2009	398,178	54	40	0.2

The shares held by the Trust are taken as a deduction from Shareholders' Equity and are not recognised as a gain or loss during the year ended 25 April 2009. The market value of the shares held at 25 April 2009 was £28,000 (26 April 2008: £64,000).

Under the terms of the Plan, shares in the Company ("Restricted Shares") can be awarded, for nil consideration, subject to defined performance criteria. Members of the Plan are also invited to purchase shares in Jacques Vert Plc ("Invested Shares") which are held by the Trust for their benefit. These shares entitle the employee to be awarded an equal number of shares ("Matching Shares"), for nil consideration, subject to the same performance criteria, as follows:

- The criteria for the August 2007 awards is based on the period between April 2007 and April 2010 and gives rise to a vesting of shares on an incremental basis provided a minimum 6.66% compound growth in adjusted EPS has been achieved. Full vesting of shares occurs if the compound growth in adjusted EPS is 10.0% or greater.
- The criteria for the August 2008 awards is based on the period between April 2008 and April 2011 and gives rise to a vesting of shares provided that the adjusted EPS for the year ending April 2011 is no lower than the adjusted EPS for the year ended 26 April 2008.

During the year awards amounting to 3,577,147 shares were granted to employees. The performance criteria attached to the awards made in August 2006 were not met and the shares did not vest.

23 Movements on reserves

	Share capital £000	Share premium £000	Merger reserve £000	Hedging reserve £000	Translation reserve £000	Retained earnings £000	Total equity £000
Balance at 28 April 2007	19,244	4,599	969	(359)	(295)	(4,459)	19,699
Retained profit	-	-	-	-	-	1,640	1,640
Adjustment for employee share schemes	-	-	-	-	-	309	309
Sale of shares in ESOP	-	-	-	-	-	23	23
Net change in fair value of cash flow hedges	-	-	-	990	-	-	990
Fair value of cash flow hedges transferred to inventories	-	-	-	(431)	-	-	(431)
Exchange rate movement	-	-	-	-	295	-	295
Actuarial loss on pension schemes	-	-	-	-	-	(220)	(220)
Balance at 26 April 2008	19,244	4,599	969	200	-	(2,707)	22,305
Retained loss	-	-	-	-	-	(3,786)	(3,786)
Adjustment for employee share schemes	-	-	-	-	-	(282)	(282)
Sale of shares in ESOP	-	-	-	-	-	9	9
Net change in fair value of cash flow hedges	-	-	-	3,099	-	-	3,099
Fair value of cash flow hedges transferred to inventories	-	-	-	(1,243)	-	-	(1,243)
Exchange rate movement	-	-	-	-	246	-	246
Actuarial loss on pension schemes	-	-	-	-	-	(207)	(207)
Balance at 25 April 2009	19,244	4,599	969	2,056	246	(6,973)	20,141

The merger reserve arose on a business combination prior to transition to IFRS which had been accounted for according to the provisions of merger accounting.

The hedge reserve reflects the fair value of effective cash flow hedges, deferred in equity under the provisions of hedge accounting, less amounts recognised in hedged inventories received prior to the year end.

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24 Financial instruments and risk management

a) Financial assets and liabilities

The financial assets and liabilities of the Group are as follows:

	25 April 2009 £000	26 April 2008 £000
Trade receivables – due within one year	7,844	8,799
Derivative financial assets	3,552	202
Cash and cash equivalents	4,533	2,511
Trade and other payables	(21,601)	(21,075)
Derivative financial liabilities	(261)	(10)
Onerous leases (undiscounted)	(7,196)	(2,598)
Cash settled options granted	(30)	(30)
	(13,159)	(12,201)

Trade receivables comprise short-term debtor balances which are receivable within three months of the year end. No provision is held against these debts.

The carrying value of short-term non-derivative financial assets and liabilities is considered to approximate the fair values.

The fair values of derivative financial assets and liabilities, comprising forward contracts for foreign exchange, are based on the relevant forward exchange rates at 25 April 2009.

The carrying value of long-term onerous leases is calculated as the present value of the estimated future cash flows and is considered to approximate fair value. The maturity profile of the undiscounted financial liabilities with maturities in part greater than one year is as follows:

	Total £000	Within one year £000	Between one and two years £000	Between two and five years £000	Greater than five years £000
Trade and other payables					
At 25 April 2009	(20,324)	(19,735)	(124)	(426)	(39)
At 26 April 2008	(21,075)	(20,353)	(132)	(321)	(269)
Onerous leases					
At 25 April 2009	(7,196)	(1,623)	(1,002)	(2,222)	(2,349)
At 26 April 2008	(2,598)	(1,212)	(1,219)	(167)	–
Cash settled options granted					
At 25 April 2009	(30)	(30)	–	–	–
At 26 April 2008	(30)	–	(30)	–	–

24 Financial instruments and risk management continued

b) Market risk

Market risk comprises the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. At the balance sheet date, the only significant market risk to the Group arises from future commercial transactions or recognised assets or liabilities denominated in a currency that is not the Group's functional currency.

The Group operates internationally and is therefore exposed to foreign currency risk on purchases primarily denominated in US dollars and Hong Kong dollars; and sales denominated in Canadian dollars and Euros.

The Board reviews and agrees policies for managing exchange rate risk on a regular basis. All transactions in derivatives, principally forward exchange contracts, are taken solely to manage these risks. The Group's policy is to hedge substantially all of the risks of such currency fluctuation by using forward contracts in each major foreign currency. No transactions of a speculative nature are entered into.

i) Exposure to foreign currency risk

At 25 April 2009, the sterling value of net financial assets and liabilities that are not denominated in the Group's functional currency is as follows:

	Hong Kong dollar £000	US dollar £000	Canadian dollar £000	Euro £000
Trade receivables	–	–	733	564
Trade payables	(4,259)	(1,823)	(75)	(129)
Cash and cash equivalents	(250)	766	191	632
Gross balance sheet exposure	(4,509)	(1,057)	849	1,067

ii) Exposure to interest rate risk

There were no fixed rate financial assets or liabilities at 25 April 2009 or 26 April 2008. Financial assets on which no interest is received are due on demand. Floating rate financial assets attract interest based on local base interest rates.

c) Credit risk

Credit risk arises on credit exposure to customers including outstanding receivables and committed transactions. No provision is held against trade receivables, which are predominantly due for payment within three months. The Group mitigates credit risk on these debts through insurance for the majority of its customers.

d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of credit facilities. Due to the dynamic nature of the underlying business, flexibility in funding is maintained under credit lines as set out in note 19.

The Board monitors rolling forecasts of the Group's availability of funding (comprising undrawn borrowing facilities plus cash and cash equivalents) on the basis of expected cash flow.

Notes to the financial statements

For the 52 weeks ended 25 April 2009

continued

25 Pension costs

The Group operates two funded defined benefit pension schemes – the Jacques Vert Pension Scheme (“JVPS”) and the Jacques Vert (2006) Pension Scheme (“JV06”).

Jacques Vert Plc also operates a defined contribution pension scheme. Contributions during the year to the defined contribution scheme amounted to £124,000 (2008: £150,000).

The JV06 scheme was established during the year ended 26 April 2008 in respect of certain members of the former Baird Group Pension Scheme (“BGPS”), a scheme that is currently being wound up pursuant to a compromise agreement between Jacques Vert Plc and the Trustee of the BGPS dated 7 July 2006. Additionally, unfunded arrangements exist in respect of a small number of former employees.

Information required by IAS19 *Employee benefits* in relation to the defined benefit schemes is provided annually using an actuarial estimate provided by an independent actuary. All actuarial gains and losses are recognised in the Statement of Recognised Income and Expense in the period in which they arise.

The major assumptions used in producing the actuarial estimates of the defined benefit schemes were:

	At 25 April 2009	At 26 April 2008	At 28 April 2007	At 29 April 2006	At 30 April 2005
Rate of salary increase (JV06 only)	2.9%	2.9%	0.0%	0.0%	0.0%
Rate of increase in pensions in payment (JVPS only)	3.0%	3.7%	3.2%	3.0%	3.0%
Discount rate	6.6%	6.7%	5.5%	5.2%	5.5%
Inflation assumption	2.9%	3.7%	3.2%	3.1%	3.0%

Assumptions regarding future mortality rates are set based on advice from the scheme actuaries, published statistics and experience in the industry. Specifically, mortality tables PA92, YOB with medium cohort have been used in the valuations at 25 April 2009. These tables use the mortality assumption at average ages of deferred and pensioner members as follows:

	Male	Female
Deferred members	86 years, 6 months	90 years, 2 months
Retired members	87 years, 5 months	90 years, 3 months

The assets of the schemes and the expected rates of return based on the above assumptions were:

	At 25 April 2009		At 26 April 2008	
	Value £000	Expected rate of return %	Value £000	Expected rate of return %
Jacques Vert Pension Scheme				
Equities	499	7.5	673	7.5
Bonds	172	6.6	160	5.0
Cash	543	4.3	355	5.0
Total market value of assets	1,214		1,188	

25 Pension costs continued

	At 25 April 2009		At 26 April 2008	
	Value £000	Expected rate of return %	Value £000	Expected rate of return %
Jacques Vert (2006) Pension Scheme				
Equities	3,764	7.5	4,976	7.7
Bonds	44,030	4.9	63,274	6.7
Others	10,046	5.7	12,537	5.6
Total market value of assets	57,840		80,787	

Valuations of the schemes were:

	Jacques Vert (2006) Pension Scheme		Jacques Vert Pension Scheme	
	At 25 April 2009 £000	At 26 April 2008 £000	At 25 April 2009 £000	At 26 April 2008 £000
Present value of scheme liabilities	(46,126)	(63,734)	(1,581)	(1,529)
Fair value of scheme assets	57,840	80,787	1,214	1,188
Surplus/(deficit)	11,714	17,053	(367)	(341)

Repayment of any surplus within the Jacques Vert (2006) Pension Scheme to the Group at 26 April 2008 is at the discretion of the Trustee. As the Group is unable to require the Trustee to make a repayment the surplus has not been recognised in the Group Balance Sheet.

Expected contributions to post-employment benefit plans for the year end April 2010 are £192,000.

The amounts credited to the Income Statement are determined as follows:

	52 weeks ended 25 April 2009			52 weeks ended 26 April 2008
	Jacques Vert (2006) Pension Scheme £000	Jacques Vert Pension Scheme £000	Total £000	Total £000
Expected return on pension scheme assets	2,933	80	3,013	5,038
Interest on pension scheme liabilities	(2,933)	(100)	(3,033)	(5,038)
Net charge	–	(20)	(20)	–

Changes in the present values of the schemes' liabilities are as follows:

	52 weeks ended 25 April 2009			52 weeks ended 26 April 2008
	Jacques Vert (2006) Pension Scheme £000	Jacques Vert Pension Scheme £000	Total £000	Total £000
Present values of schemes' liabilities at beginning of period	63,734	1,529	65,263	98,223
Settlements/curtailments	(14,637)	–	(14,637)	(26,969)
Interest cost	2,928	100	3,028	5,038
Benefits paid	(4,241)	(45)	(4,286)	(4,177)
Service cost	5	–	5	–
Actuarial (gains)/losses	(1,663)	(3)	(1,666)	(6,852)
Present values of schemes' liabilities at end of period	46,126	1,581	47,707	65,263

Notes to the financial statements

For the 52 weeks ended 25 April 2009

continued

25 Pension costs continued

Changes in the present values of the schemes' assets are as follows:

	52 weeks ended 25 April 2009			52 weeks ended
	Jacques Vert (2006) Pension Scheme £000	Jacques Vert Pension Scheme £000	Total £000	26 April 2008 Total £000
Present values of schemes' assets at beginning of period	80,787	1,188	81,975	106,869
Settlements	(14,637)	–	(14,637)	(26,969)
Expected return on assets	2,928	80	3,008	5,414
Contributions	175	201	376	176
Benefits paid	(4,241)	(45)	(4,286)	(4,177)
Actuarial (losses)/gains	(7,172)	(210)	(7,382)	662
Present values of schemes' assets at end of period	57,840	1,214	59,054	81,975

The amount recognised in the statement of recognised income and expense comprises:

	52 weeks ended 25 April 2009			52 weeks ended
	Jacques Vert (2006) Pension Scheme £000	Jacques Vert Pension Scheme £000	Total £000	26 April 2008 Total £000
Actuarial (loss)/gain on assets	(7,172)	(210)	(7,382)	662
Actuarial gain on liabilities	1,663	3	1,666	6,852
Movement on unrecognised pension surplus	5,509	–	5,509	(7,734)
	–	(207)	(207)	(220)

The provision for pension schemes comprises:

	25 April 2009 £000	26 April 2008 £000
Net surplus on defined benefit schemes	11,347	16,712
Surplus not recognised	(11,714)	(17,053)
Provisions for unfunded schemes	(67)	(109)
Provisions for pension schemes (see note 20)	(434)	(450)

The cumulative actuarial loss on the Jacques Vert Pension Scheme recognised in the Statement of Recognised Income and Expenses is £86,000 (2008: gain of £121,000).

25 Pension costs continued

History of pension deficit:

	52 weeks ended 25 April 2009	52 weeks ended 26 April 2008	52 weeks ended 28 April 2007	52 weeks ended 29 April 2006	53 weeks ended 30 April 2005
	Total £000	Total £000	Total £000	Total £000	Total £000
Experience adjustments arising on schemes' assets					
Amount	(7,959)	868	(10,836)	14,970	1,317
Percentage of schemes' assets	(13.5%)	1.1%	(10.1%)	13.34%	(6.92%)
Experience adjustments arising on schemes' liabilities					
Amount	713	7,944	13,085	6,546	181
Percentage of schemes' liabilities	1.5%	12.2%	13.3%	(4.93%)	(0.70%)
Present values of schemes' liabilities	(47,707)	(65,263)	(98,223)	(130,986)	(117,775)
Present values of schemes' assets	59,054	81,975	106,869	112,189	93,769
Total surplus/(deficit)	11,347	16,712	8,646	(18,797)	(24,006)

26 Commitments

- a) Capital expenditure authorised but not committed by the Group at 25 April 2009 amounted to £272,000 (2008: £315,000).
- b) The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2009		2008	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Within one year	257	6	191	20
Within two to five years	2,315	81	2,084	58
After five years	2,867	–	3,426	–
	5,439	87	5,701	78

27 Related party transactions

Details of Directors' shareholdings and their entitlement to share options are set out in note 10.

Information relating to the pension fund arrangements is disclosed in note 25. Other than the transactions described in note 25 there have been no transactions between the Group or its related parties and any employee pension funds.

Notes to the financial statements

For the 52 weeks ended 25 April 2009

continued

28 Notes to the cash flow statement

	52 weeks ended 25 April 2009 £000	52 weeks ended 26 April 2008 £000
Reconciliation of operating profit to net cash inflow from operating activities		
Continuing operations		
Operating profit before exceptional items	2,383	4,687
Cash outflow from exceptional items	(404)	(243)
Depreciation charge	1,660	1,614
Change in inventories	516	2,100
Change in debtors	1,402	(1,018)
Change in creditors	(465)	(154)
Change in provisions	(1,632)	(2,032)
(Credit)/charge relating to share-based payments	(282)	382
Net cash inflow from continuing operations	3,178	5,336
Discontinued operations		
Operating loss before operating exceptional items	-	(454)
Depreciation charge	-	54
Change in inventories	-	(519)
Change in debtors	-	156
Change in creditors	-	204
Net cash outflow from discontinued operations	-	(559)
Net cash inflow from operating activities	3,178	4,777

Annexure A

Audited financial statements of Jacques Vert Plc under UK GAAP (the Company)

Independent auditors' report to the members of Jacques Vert Plc

We have audited the parent Company financial statements of Jacques Vert Plc for the 52 weeks ended 25 April 2009 which comprise 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).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 9 to 10, 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 Sections 495 and 496 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 parent 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 parent Company financial statements:

- give a true and fair view of the state of the Company's affairs as at 25 April 2009;
- 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 parent Company financial statements are prepared is consistent with the parent Company 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 by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company 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.

Other matter

We have reported separately on the Group financial statements of Jacques Vert Plc for the 52 weeks ended 25 April 2009.

Fiona Kelsey (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

6 July 2009

Company balance sheet

At 25 April 2009

	Note	25 April 2009 £000	26 April 2008 £000
Fixed assets			
Goodwill	A3	36,072	38,076
Tangible assets	A4	3,135	3,893
Investments in subsidiaries	A5	17,258	17,258
		56,465	59,227
Current assets			
Stocks – finished goods		22,890	23,544
Debtors	A6	22,672	15,216
Cash at bank and in hand		22,766	20,826
		68,328	59,586
Creditors: amounts due within one year			
Trade and other creditors	A7	(20,186)	(22,891)
		48,142	36,695
Net current assets		48,142	36,695
Total assets less current liabilities		104,607	95,922
Creditors: amounts due after one year			
Amounts due to subsidiary undertakings		(68,735)	(57,569)
Provisions for liabilities and charges	A8	(5,648)	(2,862)
Net assets		30,224	35,491
Capital and reserves			
Called up equity share capital		19,244	19,244
Share premium account	A10	4,599	4,599
Merger reserve	A10	969	969
Profit and loss account	A10	5,412	10,679
Equity shareholders' funds		30,224	35,491

In accordance with s230 of the Companies Act 1985, the profit and loss account of the Company has not been presented.

The notes on pages 43 to 48 form part of these financial statements.

Approved by the Board on 6 July 2009

P C Allen, Director

I P Johnson, Director

Notes to the financial statements of the parent Company

For the 52 weeks ended 25 April 2009

A1 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice under the historical cost accounting convention and in accordance with the Companies Act 2006 and applicable accounting standards.

Pensions

The Group operates several defined contribution and defined benefit schemes for its employees.

Defined contribution schemes are pension schemes under which the Group pays fixed contributions into separate entities. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Defined benefit schemes are pension schemes that are not defined contribution schemes.

The liability recognised in the Balance Sheet in respect of defined benefit pension schemes is the present value of the defined benefit obligation at the Balance Sheet date less the fair value of plan assets, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in the period in which they rise.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at the lower of cost less accumulated depreciation and recoverable amount. Depreciation is calculated so as to write off the cost of tangible fixed assets over their estimated useful economic lives by equal annual instalments at the following rates:

Short leasehold	Remaining period of the lease
Plant, fixtures and equipment	10% – 33%
Freehold property	2% – 5%

Assets held under finance leases are depreciated over the shorter of the lease term or their useful lives. Land is not depreciated.

Operating leases

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

Rent free periods on short leasehold properties are treated as deferred income and released to the profit and loss account on a straight line basis up to the date of the first rent review.

Goodwill

Goodwill is treated as an intangible asset in the balance sheet and written off to the profit and loss account over 20 years.

Turnover

Turnover represents sales by the Group to third-parties, net of returns, trade discounts and value added tax. In accordance with FRS 5 Application Note G *Revenue Recognition* sales through retail outlets are shown net of unredeemed customer loyalty vouchers and a provision for customer returns representing the Group's estimate of the amount of product sold during the year which will be returned in the following year.

Turnover is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer which is generally when goods are delivered to the customer.

Stocks

Stocks and work-in-progress are valued at the lower of cost and net realisable value. Cost comprises the cost of direct materials and labour and an appropriate proportion of overheads. Net realisable value is the value at which stocks and work-in-progress can be realised in the ordinary course of business.

Notes to the financial statements of the parent Company

For the 52 weeks ended 25 April 2009

continued

A1 Accounting policies continued

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange ruling at the balance sheet date or at the contracted rate if the asset/liability is covered by a forward exchange contract. The trading results of overseas subsidiaries are translated into Sterling at average rates for the year. Exchange differences arising on the retranslation of the opening net investments, and from the differences between average and closing rates of exchange, are taken to reserves. Exchange differences on trading items are dealt with in the profit and loss account.

Impairment of fixed assets and goodwill

Fixed assets and goodwill are subject to review for impairment in accordance with FRS 11 *Impairment of fixed assets and goodwill*. Any impairment is recognised in the profit and loss account in the year in which it occurs.

Deferred taxation

Deferred tax 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, or a right to pay less, tax in the future have occurred at the balance sheet date, with the following exceptions:

- Provision is made for gains on disposal of fixed assets that have been rolled over into replacement assets only if, at the balance sheet date, there is a commitment to dispose of the replacement assets;

- Provision is made for deferred tax that would arise on remittance of net earnings from overseas subsidiaries, associates and joint ventures, only to the extent that at the balance sheet date dividends have been accrued as receivable;
- Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Employee Share Ownership Plan ("ESOP")

Shares held on behalf of the ESOP are shown as a deduction from Shareholders' funds. The cost of the ESOP is borne by the Company.

Provisions

Provisions are recognised when either a legal or constructive obligation, as a result of a past event, exists at the balance sheet date and where the likely outcome and the amount of the obligation can be measured with reasonable certainty. Provisions are discounted at an appropriate discount rate.

Financial instruments and risk management

The risk management policies and practice of the Company are the same as that of the Group and are set out in note 24 of the Group financial statements.

An analysis of financial instruments is given in note 24 of the Group financial statements.

A2 Profit and loss

The Company recorded a loss of £4,776,000 in the year ended 25 April 2009 (2008: profit of £10,800,000).

Auditors' remuneration was £38,000 for audit services (2008: £50,000) and £7,000 for other services (2008: £99,000) during the year.

No donations were made by the Company during the year (2008: £nil).

A3 Goodwill

	£000
Cost	
At 26 April 2008 and 25 April 2009	40,080
Amortisation	
At 26 April 2008	2,004
Charged in year	2,004
At 25 April 2009	4,008
Net book value	
At 25 April 2009	36,072
At 26 April 2008	38,076

Goodwill arose on the purchase of various trade and business assets from other Group companies on 29 April 2007.

A4 Tangible fixed assets

	Short leasehold £000	Plant, fixtures and equipment £000	Total £000
Cost			
At 26 April 2008	952	6,740	7,692
Additions	20	841	861
Disposals	(105)	(21)	(126)
At 25 April 2009	867	7,560	8,427
Depreciation			
At 26 April 2008	162	3,637	3,799
Charge for the year	240	1,275	1,515
Disposals	(22)	—	(22)
At 25 April 2009	380	4,912	5,292
Net book value			
At 25 April 2009	487	2,648	3,135
At 26 April 2008	790	3,103	3,893

Notes to the financial statements of the parent Company

For the 52 weeks ended 25 April 2009

continued

A5 Investments

£000

Investments in subsidiary undertakings

At 26 April 2008 and 25 April 2009

17,258

The principal subsidiary undertakings of which all the ordinary share capital is wholly owned and which are incorporated and operate in the United Kingdom, except where otherwise indicated, are as follows:

	Country of incorporation	Nature of business
Jacques Vert (Canada) Inc.	Canada	Retailing
William Baird Ltd (formerly William Baird PLC)	United Kingdom	Investment Holding Company

A6 Debtors

25 April 2009
£000

26 April 2008
£000

Trade receivables	7,117	7,889
Amounts owed by Group undertakings	10,937	1,718
Other receivables	48	584
Prepayments and accrued income	2,670	2,387
Deferred tax asset (see note A9)	1,900	2,638
	22,672	15,216

Of the deferred tax asset, £718,000 (2008: £936,000) is recoverable after 12 months from the balance sheet date.

A7 Trade and other creditors

25 April 2009
£000

26 April 2008
£000

Amounts due within one year:

Trade payables	11,060	11,199
Overseas corporation tax creditor	28	115
Other taxation and social security	1,063	1,723
Other creditors	2,085	1,587
Amounts due to subsidiary undertakings	1,786	3,805
Accruals and deferred income	4,164	4,462
	20,186	22,891

A8 Provisions for liabilities and charges

	Pension settlement costs £000	Pension schemes £000	Other legacy business provisions £000	Total £000
At 26 April 2008	30	341	2,491	2,862
Acquired	85	–	–	85
Utilised	(143)	(201)	(1,005)	(1,349)
Charge to profit and loss account	100	20	3,681	3,801
Actuarial loss	–	207	–	207
Discount unwinding	–	–	42	42
At 25 April 2009	72	367	5,209	5,648

A9 Deferred tax

Deferred tax asset	£000
At 26 April 2008	2,638
Charged to the profit and loss account	(738)
At 25 April 2009	1,900

The deferred tax asset comprises:

	25 April 2009 £000	26 April 2008 £000
Capital allowances in excess of depreciation	1,437	1,524
Tax losses	463	1,114
	1,900	2,638

Unrecognised deferred tax assets within the Company comprise:

	25 April 2009 £000	26 April 2008 £000
Capital allowances in excess of depreciation	7,478	6,906
Other timing differences	1,484	697
	8,962	7,603

Deferred tax assets that have not been recognised will be recoverable when there are taxable profits against which they can be relieved.

Notes to the financial statements of the parent Company

For the 52 weeks ended 25 April 2009

continued

A9 Deferred tax continued

Factors affecting future tax charges

The Company has brought forward tax losses and depreciation in excess of capital allowances, the deferred tax asset on which has been recognised in part. This reflects the estimated recoverability of the assets in the foreseeable future. Where deferred tax assets have not been recognised this has been due to uncertainty over the availability of suitable profits in the foreseeable future.

No deferred tax has been recognised on the unremitted earnings of overseas subsidiaries and associates. No significant amounts of tax are expected to be payable due to availability of double tax relief and losses in the United Kingdom.

A10 Reconciliation of retained profits

	Merger reserve £000	Share premium account £000	Profit and loss account £000	Total £000
At 26 April 2008	969	4,599	10,679	16,247
Retained profit for the year	–	–	(4,804)	(4,804)
Actuarial loss on pension scheme	–	–	(207)	(207)
Adjustment in respect of employee share schemes	–	–	(256)	(256)
At 25 April 2009	969	4,599	5,412	10,980

Information Service

Jacques Vert Plc welcomes contact with its shareholders and customers. If you have any questions or enquiries about the Company please contact:

The Company Secretary
Jacques Vert Plc, 46 Colebrooke Row
London N1 8AF

If you are seeking names and addresses of local stockists please telephone or write to:

Jacques Vert Plc
Customer Services Department
Hall Dene Way, Seaham Grange Industrial Estate
Seaham, Durham SR7 0PZ

Telephone: 0191 521 3888
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SPINE – TO ALIGN
WITH BLACK PANEL
ON FRONT AND BACK
OUTER COVERS