

Company Registration No. 895642 (England and Wales)

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 30 APRIL 2014

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INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

COMPANY INFORMATION

Directors	R Caring J W S Lawrence S Mehta
Secretary	R McCarthy
Company number	895642
Registered office	26-28 Conway Street London W1T 6BQ
Auditors	H W Fisher & Company Acre House 11-15 William Road London NW1 3ER United Kingdom
Business address	26-28 Conway Street London W1T 6BQ
Bankers	HSBC Bank plc City Corporate Banking Centre 60 Queen Victoria Street London EC4N 4TR

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

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INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 APRIL 2014

The directors present their strategic report on the group for the year ended 30 April 2014.

Review of the business

The principal activity of the business continues to be that of design and distribution of clothing and accessories.

The UK clothing market continues to be subjected to the multiple pressures of stagnant growth, reduced customer spending and continued upward pressures on raw material and labour costs. As a result, the group's turnover was down year on year by 18% although the gross margin was up marginally by 0.2%. Although the expenses were also down 10%, the Group has reported an underlying loss before tax of £302,522 (2013: Profit of £88,535).

The group's turnover continues to be a combination of both invoiced sales and commissions. The mix may change from year to year and is dependent upon the requirements or preferences of the Group's customers. This therefore has a direct impact upon the reported turnover and gross profit levels.

Despite the difficult market conditions, the group's gross margin increased to 12.3% (2013 - 12.1%). The directors continue to investigate and implement cost saving initiatives together with increased revenue generating activities to improve the performance of the group. The directors believe that the long-term financial success of the group will continue to be based upon its design innovation and continued close working relationship with both customers and suppliers.

Results

The group made a pre-tax loss of £302,522 (2013 - a profit of £88,535) for the period on a turnover of £28,153,614 (2013 - £34,365,441).

At 30 April 2014 the group had net assets of £10,080,824 (2013 - £10,405,378).

Principal risks and uncertainties

The principal risks and uncertainties facing the group arise from the high level of retailer competition, credit risk, subdued consumer spending, delayed product delivery to the customer, price inflation on product sourced from the Far East and from volatility in exchange rates.

The directors recognise they have little influence over these economic risks, however, the directors have taken actions to minimise the effect of these factors wherever possible and in particular on the potential failure of customers and currency risk.

The directors took the decision to purchase credit insurance on selected customers to mitigate the potential risk of non-payment. So far, there have been no cases where the group has had to make a claim.

As the group purchases all goods for resale in foreign currency, the directors accept the group has a significant financial exposure to movements in exchange rates. If the group did nothing, the purchase price for the group's product would be subject to exchange rate fluctuations and therefore not ascertained until paid. In the opinion of the directors, this would be an unacceptable risk and therefore, it is the group's policy to mitigate this using currency hedging techniques. The directors continue to review their exchange risk strategy to ensure it continues to manage this currency risk effectively and efficiently.

Key performance indicators

In the opinion of the directors, there are no Key Performance Indicators whose additional disclosure is necessary for an understanding of the development, performance or position of the business.

On behalf of the board



S Mehta

Director

Dated: 16/12/14.....

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2014

The directors present their report and group financial statements for the year ended 30 April 2014.

Dividends

The directors do not recommend any final dividend in respect of any class of shares as at 30 April 2014.

Directors

The directors who served during the year were:

R Caring

J W S Lawrence

S Mehta


Disclosure of information to auditors

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditors are unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

Auditors

H W Fisher & Company are deemed to be re-appointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continues in force under the Companies Act 2006.

On behalf of the board



.....
S Mehta

Director

Dated:16/12/14.....

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

We have audited the group and parent company financial statements (the "financial statements") of International Clothing Designs (Holdings) Limited for the year ended 30 April 2014 set out on pages 5 to 24. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on 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.

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 and 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. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 30 April 2014 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent 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.

David Selwyn (Senior Statutory Auditor)

for and on behalf of H W Fisher & Company

Chartered Accountants

Statutory Auditor

Acre House

11-15 William Road

London

United Kingdom

NW1 3ER

Dated:19 December 2014

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2014

	Notes	2014 £	2013 £
Turnover	2	28,153,614	34,365,441
Cost of sales		(24,669,243)	(30,196,215)
Gross profit		3,484,371	4,169,226
Administrative expenses		(3,988,953)	(4,422,779)
Other operating income		275,914	393,556
Operating (loss)/profit	3	(228,668)	140,003
Other interest receivable and similar income		129,895	156,227
Interest payable and similar charges	6	(203,749)	(207,695)
(Loss)/profit on ordinary activities before taxation		(302,522)	88,535
Tax on (loss)/profit on ordinary activities	7	(22,032)	(62,451)
(Loss)/profit on ordinary activities after taxation		(324,554)	26,084

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

STATEMENT OF RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 30 APRIL 2014

	2014	2013
	£	£
(Loss)/profit for the financial year	(324,554)	26,084
Unrealised surplus on revaluation of properties	-	388,798
Total recognised gains and losses relating to the year	<u>(324,554)</u>	<u>414,882</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

	2014	2013
	£	£
Reported (loss)/profit on ordinary activities before taxation	(302,522)	88,535
Difference between an historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	70,765	67,423
Historical cost (loss)/profit on ordinary activities before taxation	<u>(231,757)</u>	<u>155,958</u>
Historical cost (loss)/profit for the year retained after taxation, extraordinary items and dividends	<u>(253,789)</u>	<u>93,507</u>

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED**BALANCE SHEETS****AS AT 30 APRIL 2014**

	Notes	Group 2014 £	2013 £	Company 2014 £	2013 £
Fixed assets					
Tangible assets	10	7,600,871	7,745,175	7,585,355	7,727,497
Investments	11	-	-	2,005,021	2,005,000
		<u>7,600,871</u>	<u>7,745,175</u>	<u>9,590,376</u>	<u>9,732,497</u>
Current assets					
Stocks	12	1,223,479	891,341	81,998	15,278
Debtors	13	9,882,336	10,323,571	6,134,499	6,158,399
Cash at bank and in hand		107,133	110,369	1,000	-
		<u>11,212,948</u>	<u>11,325,281</u>	<u>6,217,497</u>	<u>6,173,677</u>
Creditors: amounts falling due within one year	14	<u>(7,339,157)</u>	<u>(6,848,846)</u>	<u>(5,241,006)</u>	<u>(4,360,035)</u>
Net current assets		<u>3,873,791</u>	<u>4,476,435</u>	<u>976,491</u>	<u>1,813,642</u>
Total assets less current liabilities		<u>11,474,662</u>	<u>12,221,610</u>	<u>10,566,867</u>	<u>11,546,139</u>
Creditors: amounts falling due after more than one year	15	<u>(1,393,838)</u>	<u>(1,816,232)</u>	<u>(1,393,838)</u>	<u>(1,816,232)</u>
		<u>10,080,824</u>	<u>10,405,378</u>	<u>9,173,029</u>	<u>9,729,907</u>
Capital and reserves					
Called up share capital	17	4,464,998	4,464,998	4,464,998	4,464,998
Revaluation reserve	18	4,445,767	4,516,532	4,445,767	4,516,532
Other reserves	18	467,775	467,775	467,775	467,775
Profit and loss account	18	702,284	956,073	(205,511)	280,602
Shareholders' funds	19	<u>10,080,824</u>	<u>10,405,378</u>	<u>9,173,029</u>	<u>9,729,907</u>

Approved by the Board and authorised for issue on 16/12/14

S Mehta
Director

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 APRIL 2014

	Notes	£	2014 £	£	2013 £
Net cash outflow from operating activities	20		(394,502)		(257,252)
Returns on investments and servicing of finance					
Interest received		129,895		156,227	
Interest paid		(203,749)		(207,695)	
Net cash outflow for returns on investments and servicing of finance			(73,854)		(51,468)
Taxation			22,100		76,548
Capital expenditure					
Payments to acquire tangible fixed assets		(31,788)		(335,380)	
Net cash outflow for capital expenditure			(31,788)		(335,380)
Net cash outflow before financing			(478,044)		(567,552)
Financing					
Repayment of long term bank loan		(425,083)		(418,761)	
Net cash outflow from financing			(425,083)		(418,761)
Decrease in cash in the year	22, 21		(903,127)		(986,313)

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2014

1 Accounting policies

1.1 Basis of preparation

The financial statements have been prepared under the historical cost convention as modified to include the revaluation of land and buildings and in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The presentation of group cash at bank and bank overdrafts has been amended in this year's financial statements in order to show the net cash held under the group's net bank facility as a single figure within current assets. The comparative figures have been adjusted accordingly.

1.2 Basis of consolidation

The consolidated profit and loss account and balance sheet include the accounts of the company and its subsidiary undertakings made up to 30 April 2014. Intra-group sales and profits are eliminated fully on consolidation.

1.3 Turnover

Turnover represents the invoiced value of goods sold and services provided net of VAT and discounts given.

1.4 Goodwill

Goodwill arising on acquisitions has been amortised on a straight line basis over its expected useful economic life of 10 years.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land is not depreciated	
Freehold buildings	2% Straight line
Fixtures, fittings & equipment	20% - 33% Straight line
Motor vehicles	25% Straight line

1.6 Investments

Fixed asset investments are stated at cost less any provision for impairment in value.

1.7 Stock

Stock is stated at the lower of cost and net realisable value. Cost includes an appropriate proportion of duty, freight and storage.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

1.8 Deferred taxation

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

1.9 Foreign currency translation

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date, except where these have been hedged, in which case, the hedged rate will be used. All differences are taken to profit and loss account.

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2014

2 Turnover

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating (loss)/profit	2014	2013
	£	£
Operating (loss)/profit is stated after charging:		
Depreciation of owned tangible assets	176,092	184,883
Operating lease rentals		
- Plant and machinery	9,591	18,428
Fees payable to the group's auditor for the audit of the group's annual accounts (company £15,000; 2013: £15,000)	45,750	45,750
	<u>45,750</u>	<u>45,750</u>

4 Directors' emoluments	2014	2013
	£	£
Emoluments for qualifying services	351,000	367,372
	<u>351,000</u>	<u>367,372</u>

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	253,403	252,874
	<u>253,403</u>	<u>252,874</u>

5 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2014	2013
	Number	Number
Selling and distribution	7	7
Administration	47	47
	<u>54</u>	<u>54</u>

Employment costs	2014	2013
	£	£
Wages and salaries	2,401,234	2,562,098
Social security costs	267,197	271,206
	<u>2,668,431</u>	<u>2,833,304</u>

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2014

6	Interest payable	2014	2013
		£	£
	On bank loans and overdrafts	109,163	121,356
	Other interest	94,586	86,339
		<hr/>	<hr/>
		203,749	207,695
		<hr/> <hr/>	<hr/> <hr/>

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2014

7 Taxation	2014	2013
	£	£
Domestic current year tax		
U.K. corporation tax	-	29,809
Adjustment for prior years	23,862	-
	<u>23,862</u>	<u>-</u>
Current tax charge	23,862	29,809
Deferred tax		
Origination and reversal of timing differences	(3,460)	30,762
Effect of decreased tax rate on opening asset	1,630	1,880
	<u>22,032</u>	<u>62,451</u>
Factors affecting the tax charge for the year		
(Loss)/profit on ordinary activities before taxation	(302,522)	88,535
	<u>(302,522)</u>	<u>88,535</u>
(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 22.84% (2013 - 23.92%)	(69,096)	21,178
	<u>(69,096)</u>	<u>21,178</u>
Effects of:		
Non deductible expenses	3,022	4,126
Capital allowances for period in deficit of depreciation	36,957	4,495
Tax losses arising	29,117	-
Adjustments to previous periods	23,862	-
Other tax adjustments	-	10
	<u>92,958</u>	<u>8,631</u>
Current tax charge	23,862	29,809
	<u>23,862</u>	<u>29,809</u>

The group has carried forward capital losses at 30 April 2014 of approximately £1,300,000 (2013 - £1,300,000). No deferred tax asset has been recognised in respect of these losses due to insufficient certainty over the extent and timing of its recoverability. Such an asset would be recoverable should future chargeable gains arise against which the losses can be offset. The value of the asset should all losses be fully recoverable, at a deferred tax rate of 20% (2013 - 23%), would be approximately £260,000 (2013 - £300,000).

No deferred tax is provided on the revalued property as there is no binding commitment to sell at the year end. Based on the current revalued amount, no significant tax would become payable on the sale of the property due to the availability of the capital losses described above.

The group has carried forward trading losses. No deferred tax asset has been recognised in respect of these losses due to the uncertainty of its recoverability. Such an asset would be recoverable should future trading profits arise against which the losses could be offset. The amount of the unrecognised asset at a tax rate of 20% is £33,000 (2013 - £9,000).

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2014

8 (Loss)/profit for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The (loss)/profit for the financial year is made up as follows:

	2014	2013
	£	£
Holding company's (loss)/profit for the financial year	(556,878)	22,649

9 Intangible fixed assets

Group

	Goodwill
	£
Cost	
At 1 May 2013	2,234,181
Disposals	(1,996,435)
At 30 April 2014	237,746
Amortisation	
At 1 May 2013	2,234,181
Amortisation on disposals	(1,996,435)
At 30 April 2014	237,746
Net book value	
At 30 April 2014	-
At 30 April 2013	-

The goodwill attributable to group companies dissolved in the year has been derecognised and is presented as a disposal.

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2014

10 Tangible fixed assets Group

	Freehold land and buildings	Fixtures, Motor vehicles fittings & equipment		Total
	£	£	£	£
Cost or valuation				
At 1 May 2013	7,650,000	457,443	9,856	8,117,299
Additions	-	31,788	-	31,788
At 30 April 2014	7,650,000	489,231	9,856	8,149,087
Depreciation				
At 1 May 2013	3,182	359,086	9,856	372,124
Charge for the year	145,159	30,933	-	176,092
At 30 April 2014	148,341	390,019	9,856	548,216
Net book value				
At 30 April 2014	7,501,659	99,212	-	7,600,871
At 30 April 2013	7,646,818	98,357	-	7,745,175

The freehold land and buildings were valued at £7,650,000 on an open market basis in April 2013 by Edward Symmons LLP, an independent firm of chartered surveyors. The valuation was undertaken in accordance with the Royal Institution of Chartered Surveyors Valuation Standards.

Comparable historical cost for the land and buildings included at valuation:

	£
Cost	
At 1 May 2013 & at 30 April 2014	4,105,589
Depreciation based on cost	
At 1 May 2013	1,034,738
Charge for the year	74,394
At 30 April 2014	1,109,132
Net book value	
At 30 April 2014	2,996,457
At 30 April 2013	3,070,851

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2014

Tangible fixed assets (continued)

Company

	Freehold land and buildings	Fixtures, Motor vehicles fittings & equipment		Total
	£	£	£	£
Cost or valuation				
At 1 May 2013	7,650,000	431,517	9,856	8,091,373
Additions	-	25,074	-	25,074
At 30 April 2014	7,650,000	456,591	9,856	8,116,447
Depreciation				
At 1 May 2013	3,182	350,838	9,856	363,876
Charge for the year	145,159	22,057	-	167,216
At 30 April 2014	148,341	372,895	9,856	531,092
Net book value				
At 30 April 2014	7,501,659	83,696	-	7,585,355
At 30 April 2013	7,646,818	80,679	-	7,727,497

The freehold land and buildings were valued at £7,650,000 on an open market basis in April 2013 by Edward Symmons LLP, an independent firm of chartered surveyors. The valuation was undertaken in accordance with the Royal Institution of Chartered Surveyors Valuation Standards.

Comparable historical cost for the land and buildings included at valuation:

	£
Cost	
At 1 May 2013 & at 30 April 2014	4,105,589
Depreciation based on cost	
At 1 May 2013	1,034,738
Charge for the year	74,394
At 30 April 2014	1,109,132
Net book value	
At 30 April 2014	2,996,457
At 30 April 2013	3,070,851

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2014

11 Fixed asset investments

Company	Shares in subsidiary undertakings
	£
Cost or valuation	
At 1 May 2013	2,005,000
Additions	21
At 30 April 2014	2,005,021
Net book value	
At 30 April 2014	2,005,021
At 30 April 2013	2,005,000

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Tapestry Design Company Limited	England	Ordinary	100
The Nashville Corporation Limited	England	Ordinary	100
Tapestry Design Company (Bangladesh) Limited*	Bangladesh	Ordinary	100

The principal activity of these undertakings for the last relevant financial period was as follows:

	Principal activity
Tapestry Design Company Limited	Clothing
The Nashville Corporation Limited	Dormant
Tapestry Design Company (Bangladesh) Limited*	Dormant

* The company's 100% interest in Tapestry Design Company (Bangladesh) Limited is held 5% directly by the company and 95% via Tapestry Design Company Limited.

In addition to the subsidiaries listed above, the company held 100% of the share capital of Standrate Limited, which in turn held 100% of the share capital of Clashforce Limited. Both companies were dissolved during the year.

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2014

12 Stocks

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Raw materials and consumables	-	100,304	-	-
Finished goods and goods for resale	1,223,479	791,037	81,998	15,278
	<u>1,223,479</u>	<u>891,341</u>	<u>81,998</u>	<u>15,278</u>

13 Debtors

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Debtors factored without recourse:				
Gross debts	232,805	406,696	-	-
Less: non-returnable proceeds	(184,515)	(356,543)	-	-
	<u>48,290</u>	<u>50,153</u>	-	-
Debtors factored with recourse	1,516,080	1,941,415	-	-
Trade debtors	228,126	165,072	228,126	165,072
Amounts owed by group undertakings	-	-	78,607	103,269
Amounts owed by companies under common control	7,554,302	7,644,306	5,452,747	5,439,753
Corporation tax	31,766	77,728	12,500	67,717
Other debtors	76,008	132,538	71,866	87,490
Prepayments and accrued income	413,439	299,864	279,761	288,117
Deferred tax asset (see note 16)	14,325	12,495	10,892	6,981
	<u>9,882,336</u>	<u>10,323,571</u>	<u>6,134,499</u>	<u>6,158,399</u>

Factored debts have been provided as security against advances drawn down in respect of them. In the case of debts factored without recourse the debt net of advances is presented above. In the case of debts factored with recourse, the corresponding liability at the balance sheet date is presented as 'Other loans' in Note 14.

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2014

14 Creditors : amounts falling due within one year

	Group 2014	2013	Company 2014	2013
	£	£	£	£
Bank loans	419,140	421,829	419,140	421,829
Bank overdrafts and short term loans	3,872,199	2,972,308	4,047,518	3,328,029
Trade creditors	1,266,907	1,441,836	430,635	366,948
Amounts owed to group undertakings	-	-	5,000	8,162
Amounts owed to companies under common control	-	24,493	-	24,493
Other taxes and social security costs	159,098	161,955	63,227	57,095
Other loans	1,053,272	1,198,781	-	-
Other creditors	256,239	464,528	7,170	27,845
Accruals and deferred income	312,302	163,116	268,316	125,634
	<u>7,339,157</u>	<u>6,848,846</u>	<u>5,241,006</u>	<u>4,360,035</u>

Bank loans and overdrafts are secured by a fixed and floating charge over the Group's present and future assets together with intercompany guarantees. The bank has first legal charge over the freehold property of the group and company.

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2014

15 Creditors : amounts falling due after more than one year

	Group 2014	2013	Company 2014	2013
	£	£	£	£
Bank loans	1,393,838	1,816,232	1,393,838	1,816,232
Analysis of loans				
Not wholly repayable within five years by instalments:				
Bank loan repayable by July 2018	1,812,978	2,238,061	1,812,978	2,238,061
Included in current liabilities	(419,140)	(421,829)	(419,140)	(421,829)
	1,393,838	1,816,232	1,393,838	1,816,232
Loan maturity analysis				
Within one year	419,140	421,829	419,140	421,829
In more than one year but not more than two years	427,523	428,157	427,523	428,157
In more than two years but not more than five years	966,315	1,323,390	966,315	1,323,390
In more than five years	-	64,685	-	64,685
	1,812,978	2,238,061	1,812,978	2,238,061

The bank loan is repayable by July 2018 and bears interest at 1% above the HSBC base rate.

The bank loans are secured by a first fixed charge over present and future fixed assets and a floating charge over all other assets. The bank also holds first legal charge over the freehold property owned by the group and company.

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2014

16 Provisions for liabilities

The deferred tax asset (included in debtors, note 13) is made up as follows:

	Group 2014 £	Company 2014 £
Balance at 1 May 2013	(12,495)	(6,981)
Profit and loss account	(1,830)	(3,911)
	<u>(14,325)</u>	<u>(10,892)</u>
Balance at 30 April 2014	<u>(14,325)</u>	<u>(10,892)</u>

Deferred tax is provided at 20% (2013 - 23%) analysed over the following timing differences:

	Group 2014 £	2013 £	Company 2014 £	2013 £
Decelerated capital allowances	<u>(14,325)</u>	<u>(12,495)</u>	<u>(10,892)</u>	<u>(6,981)</u>

17 Share capital

	2014 £	2013 £
Allotted, called up and fully paid		
9,998 Ordinary shares of £1 each	9,998	9,998
4,455,000 Preference shares of £1 each	4,455,000	4,455,000
	<u>4,464,998</u>	<u>4,464,998</u>

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2014

18 Statement of movements on reserves

Group

	Revaluation reserve	Other reserves	Profit and loss account
	£	£	£
Balance at 1 May 2013	4,516,532	467,775	956,073
Loss for the year	-	-	(324,554)
Depreciation written back	(70,765)	-	70,765
Balance at 30 April 2014	<u>4,445,767</u>	<u>467,775</u>	<u>702,284</u>

Company

	Revaluation reserve	Other reserves	Profit and loss account
	£	£	£
Balance at 1 May 2013	4,516,532	467,775	280,602
Loss for the year	-	-	(556,878)
Depreciation written back	(70,765)	-	70,765
Balance at 30 April 2014	<u>4,445,767</u>	<u>467,775</u>	<u>(205,511)</u>

19 Reconciliation of movements in shareholders' funds

Group

	2014	2013
	£	£
(Loss)/Profit for the financial year	(324,554)	26,084
Other recognised gains and losses	-	388,798
Net (depletion in)/addition to shareholders' funds	<u>(324,554)</u>	<u>414,882</u>
Opening shareholders' funds	10,405,378	9,990,496
Closing shareholders' funds	<u>10,080,824</u>	<u>10,405,378</u>

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2014

20	Reconciliation of operating (loss)/profit to net cash outflow from operating activities		2014	2013	
			£	£	
	Operating (loss)/profit		(228,668)	140,003	
	Depreciation of tangible fixed assets		176,092	184,883	
	(Increase)/decrease in stocks		(332,138)	893,273	
	Decrease/(increase) in debtors		397,103	(1,947,070)	
	Increase in creditors		(406,891)	471,659	
	Net cash outflow from operating activities		(394,502)	(257,252)	
21	Reconciliation of net cash flow to movement in net debt		2014	2013	
			£	£	
	Decrease in cash in the year		(903,127)	(986,313)	
	Repayment of long term bank loan		425,083	418,761	
	Movement in net debt in the year		(478,044)	(567,552)	
	Opening net debt		(5,100,000)	(4,532,448)	
	Closing net debt		(5,578,044)	(5,100,000)	
22	Analysis of net debt	1 May 2013	Cash flow	Other non-cash changes	30 April 2014
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	110,369	(3,236)	-	107,133
	Bank overdrafts and short term loans	(2,972,308)	(899,891)	-	(3,872,199)
			(903,127)		
	Debt:				
	Debts falling due within one year	(421,829)	425,083	(422,394)	(419,140)
	Debts falling due after one year	(1,816,232)	-	422,394	(1,393,838)
			425,083		
	Net debt	(5,100,000)	(478,044)	-	(5,578,044)

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2014

23 Contingent liabilities

The group companies are party to a group and related party cross guarantee arrangement whereby the bank borrowings of all relevant companies are secured by a charge over the group's present and future assets.

At 30 April 2014, the group's maximum potential liability under this arrangement was £2,959,179 (2013: £3,882,843)

At 30 April 2014, the company's maximum potential liability under this arrangement was £2,959,179 (2013: £3,882,843).

24 Financial commitments

At 30 April 2014 the group had annual commitments under non-cancellable operating leases as follows:

	Other 2014	2013
	£	£
Expiry date:		
Between two and five years	16,613	16,613

At 30 April 2014 the company had annual commitments under non-cancellable operating leases as follows:

	2014	Other 2013
	£	£
Expiry date:		
Between two and five years	13,383	13,383

25 Related party transactions

Included within other creditors is an amount of £7,170 (2013: £27,845) owed to Richard Caring.

The group bank facilities are subject to a personal guarantee from Richard Caring.

During the year, miscellaneous charges totalling £66,453 (2013: £62,574) were made to Associated Clothing Company (Hong Kong) Limited, who owed £35,054 (2013: £16,301) to the group at the year end.

During the year, interest of £59,491 (2013: £86,034) and miscellaneous charges of £17,700 (2013: £17,700) were charged to, interest of £nil (2013: £2,031) charged by International Garment Sourcing (Holdings) Limited, who owed the group £1,438,591 (2013: £2,415,757) at the year end.

During the year, purchases of £893,864 (2013: £1,962,971) were made from and commission and miscellaneous charges of £872,057 (2013: £852,330) were made to C&S Productions Limited. At the year end £45,010 was owed from (2013: £24,493 owed to) this company.

During the year, purchases of £10,722,305 (2013: £5,642,014) were made from Tapestry Taiwan Limited. In addition, interest of £69,682 (2013: £69,574) was charged to, and interest and other charges of £565,634 (2013: £297,600) were charged by Tapestry Taiwan Limited. At the year end, £2,101,555 (2013: £2,204,553) was owed from this company.

At the year end Jeamland Limited owed the group £3,917,495 (2013: £3,007,495) in respect of payments made on its behalf. This loan is guaranteed by Richard Caring.

All of the above mentioned companies are entities under common control.

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2014

26 Controlling parties

The directors consider Richard Caring to be the Company's ultimate controlling party.