

Alison Hayes (UK) Limited

**Directors' report and financial
statements**

Registered number 02241601

31 December 2013

TUESDAY



A35VRZTM

A27

15/04/2014

#60

COMPANIES HOUSE

Contents

Strategic Report	1
Directors' Report	4
Statement of directors' responsibilities in respect of the Directors' Report and the financial statements	6
Independent auditor's report to the members of Alison Hayes (UK) Limited	7
Profit and Loss Account	9
Statement of Total Recognised Gains and Losses	10
Balance Sheet	11
Note of Historical Cost Profits and Losses	12
Notes	13

Strategic report

The Directors present their strategic report for the year ended 31 December 2013.

Company performance and business review

We want Alison Hayes to be recognised by our customers as their best supplier of women's fashion and to serve them profitably.

Our Company strategy is achieved by excelling in design, quality and reliability.

Design: we embrace the philosophy of "fast fashion" system that combines: highly fashionable ("trendy") product design with short production and distribution lead time. We achieve the trendy product design by continually monitoring customers and industry tastes.

Quality: we are committed to deliver to our customer's continuous product quality that meets their expectations. To achieve this we promote effort to maintain the quality management system from development, planning, design and manufacturing to sales and customer service.

Reliability: we focus to deliver in accordance with our design specifications and commercial commitments. We aim to comply with all applicable laws and regulations and all of our actions are transparent and in accordance with our binding principles of ethical behaviour.

Key performance indicators

We measure and compare the success of our company based on a target KPI system that defines indicators for turnover growth, profitability and working capital.

The key financial performance indicators for the last three years are as follows:

Financial highlights	2013	2012	2011
	£	£	£
Gross Sales	37,660,903	39,437,196	32,129,274
Turnover	36,902,370	38,724,661	31,548,477
Gross Profit	4,838,027	4,617,093	3,916,664
Gross Profit margin (% to gross sales)	12.8%	11.7%	12.2%
Profit/(loss) before tax	383,291	447,954	(334,199)
Profit/(loss) for the financial year	266,967	524,964	(111,030)

Turnover growth: Turnover to 31 December 2013 of £37 million shows a decrease of 4.5% over the previous year. This was due to a slow start to the year mainly due to the weather conditions in the spring-summer season in the UK. This affected the overall soft garments trading in the first half of the year. However, the second half of the year significantly improved and the development of new products (tailoring) has provided a strong base for the forthcoming year.

Gross profit margin: The overall product margin has improved by 110 basis points due to the sales mix in the favour of fast fashion products. We achieved significant savings from efficient manufacturing in our production base in Romania and overall better stock management process.

Profit before tax: Profit before tax has decreased due to increased investment in the design, product development and sales force to ensure product and customer portfolio diversification (eg. tailoring, bridesmaids, children products) as well as investment in people's talent development and retention.

Working Capital: net current assets have increased mainly due to the extension of the trade terms in line with the industry trends.

Strategic report (continued)

Principle risks and uncertainties:

Below are the principle risks and uncertainties that could affect the business performance and our mitigating activities:

Economic conditions:

We expect that growth should return to the UK economy towards the end of the year and pick up a little pace during 2014. Heavy discounting by retailers and a sharp fall in the world commodity prices has led to a drop in the rate of inflation. The fall in inflation has eased the pressure on household spending, despite wage growth remaining weak. We expect that this will give a modest boost to consumer spending, although households will remain cautious given the relatively weak labour market.

Mitigating activities:

- Increased competitiveness on product to ensure good value for money
- Development of new clients to diversify the clients portfolio

Consumer preferences:

The UK market is set to grow in importance for fast fashion and short orders. Requests for fast lead time orders could be difficult to achieve due to higher manufacturing costs.

Mitigating activities:

- Through its subsidiary, Alison Hayes UK has a strong manufacturing base in Romania that serves profitable fast lead time orders.
- As a group, we will continue to invest in modern production facilities and upgrade people skills in order to ensure efficient manufacturing.

Operational Cost:

Our costs are subject to fluctuations, particularly due to changes in commodity prices, raw materials, labour costs, exchange and interest rates.

Mitigating activities

Our success is dependent, in part, on our continued ability to manage these fluctuations through pricing actions, cost savings projects, sourcing decisions and certain hedging transactions. We also must manage our currency exposure in Romania and the Far East. We need to maintain key manufacturing and supply arrangements and successfully manage our Company production site. We must implement, sustain and achieve cost improvement plans that will help to reduce the general overheads and increase competitiveness through cost leadership.

Ability to achieve business plans

We are a consumer product and rely on continued demand for our design ideas and products. To achieve our business targets we need to design, develop and sell products that appeal to the retail consumer.

Mitigating activities:

We are continuously investing in design and new product development as well as in new technologies to provide to our customers competitive, leading products. To address the challenges of a competitive market we must respond to competitive factors such as fashion trends, pricing, lead time and quality.

Reputation risk:

The risk of loss of reputation arising from the negative publicity relating to the Company's operations (whether true or false) could result in a reduction of its clientele, reduction in turnover and legal cases against the Company. The Company applies ethical procedures to minimise this risk.

By order of the board



Evelthon Vassiliou
Director

Global House
303 Ballards Lane
London
N12 8NP
4 April 2014

Directors' report

The directors present their directors' report and financial statements for the year ended 31 December 2013.

Principal activity:

The principle activity of the company continued to be that of designers, manufacturers and wholesalers of high quality lady garments.

Business review:

The comprehensive business analysis has been provided in the **Strategic Report**. The Directors estimate the company to continue growing in the next years and appreciate the overall performance as favourable considering the current economic environment.

Market value of land and buildings:

In the opinion of the Directors the land and buildings are reflected in the accounts at fair market value. The company's main asset at Liverpool Road, London N1 1NL was revalued in December 2013 by an independent evaluator Christo & Co (Reg. no. 02813084) at £1.85 m. This amount has been included in the financial statements.

Future developments:

The directors aim to maintain the management policies which have resulted in the company's substantial growth in recent years.

Results and dividends:

The results are set out on page 9.

The directors do not recommend payment of dividends (2012: £Nil).

Arrangement to promote training and equal opportunities

Alison Hayes is committed to create a diverse environment and it is proud to be an equal opportunity employer. All the employees have received equal consideration for recruitment, development and promotion with regard to race, colour, religion, gender, disability, sexual orientation, national origin or age.

The Company has the following arrangements for training staff:

Introduction training: all the employees receive an invitation to attend an induction workshop on their entrance to the business.

External consultant led- training: Extensive needs are reviewed during the appraisal process and the Company has a training scheme for the business departments, teams and individuals.

Directors

The directors who held office as at 31 December 2013 and approved the financial statements were as follows:

Mr Evelthon Vassiliou
Mr Robert Chamberlain
Mr George Vassiliou
Ms Julie Thompson
Mr Nicholas Georghiades
Ms L Tvrkovic Sahin
Ms Sara Laurell (Resigned 31/12/2013)
Mr Chrisis Nicolaou (Resigned 31/12/2013)
Ms Basola Valles (Resigned 31/12/2013)

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board


Evelthon Vassiliou
Director

Global House
303 Ballards Lane
London
N12 8NP
4 April 2014

Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements

The directors are responsible for preparing the Strategic Report and 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company 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 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 company 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



8 Salisbury Square
London
EC4Y 8BB

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALISON HAYES (UK) LIMITED

We have audited the financial statements of Alison Hayes (UK) Limited for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Balance Sheet, the Note of Historical Cost Profits and Losses, the Statement of Total Recognised Gains and Losses 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).

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 auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALISON HAYES (UK) LIMITED *(continued)*

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Nicole Martin (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
8 Salisbury Square, London, EC4Y 8BB
14 April 2014

Profit and Loss Account
 for the year ended 31 December 2013

	<i>Note</i>	2013 £	2012 £
Gross sales		37,660,903	39,437,196
Discounts		(758,533)	(712,535)
Turnover	2	<u>36,902,370</u>	<u>38,724,661</u>
Cost of sales		(32,064,343)	(34,107,568)
Gross profit		<u>4,838,027</u>	<u>4,617,093</u>
Administrative expenses- Design costs		(1,734,200)	(1,656,640)
Administrative expenses- Selling and other		(2,544,154)	(2,332,444)
Other operating income		8,988	
Operating profit		<u>568,661</u>	<u>628,009</u>
Other interest receivable and similar income	6	12	28,106
Interest payable and similar charges	7	(154,524)	(160,967)
Foreign exchange loss		(30,855)	(47,194)
Profit on ordinary activities before taxation		<u>383,294</u>	<u>447,954</u>
Tax on profit on ordinary activities	8	(116,324)	77,010
Profit for the financial year	20	<u><u>266,970</u></u>	<u><u>524,964</u></u>

All the company's activities relate to continuing operations.

The notes on pages 13- 22 form part of these financial statements.

Statement of Total Recognised Gains and Losses
for the year ended 31 December 2013

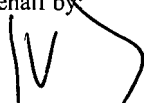
	<i>Note</i>	2013 £	2012 £
Profit attributable to shareholders	21	266,970	524,964
Gain on revaluation of property	9,21	419,791	-
Total recognised gains relating to the year		686,761	524,964

Balance Sheet
at 31 December 2013

	<i>Note</i>	2013		2012	
		£	£	£	£
Fixed assets					
Tangible assets	<i>9</i>		2,014,638		1,596,757
Investments	<i>10</i>		2,665,504		2,665,311
			<hr/>		<hr/>
			4,680,142		4,262,068
Current assets					
Stocks	<i>11</i>		726,570		312,786
Gross debtors	<i>12</i>	5,623,394		5,638,956	
Less: Non-returnable proceeds	<i>13</i>	(2,642,296)		(3,122,175)	
			<hr/>		<hr/>
Debtors			2,981,098		2,516,781
Investments	<i>14</i>		2,290		2,761
Cash at bank and in hand			213,368		142,766
			<hr/>		<hr/>
			3,923,326		2,975,094
Creditors: amounts falling due within one year	<i>15</i>		(2,474,500)		(1,653,252)
			<hr/>		<hr/>
Net current assets			1,448,826		1,321,842
			<hr/>		<hr/>
Total assets less current liabilities			6,128,968		5,583,910
Creditors: amounts falling due after more than one year	<i>16</i>		(587,967)		(729,670)
			<hr/>		<hr/>
Net Assets			5,541,001		4,854,240
			<hr/> <hr/>		<hr/> <hr/>
Capital and reserves					
Called up share capital	<i>19</i>		1,000,000		1,000,000
Revaluation reserve	<i>21</i>		1,601,344		1,181,553
Profit and loss account	<i>21</i>		2,939,657		2,672,687
			<hr/>		<hr/>
Shareholders' funds	<i>20</i>		5,541,001		4,854,240
			<hr/> <hr/>		<hr/> <hr/>

The notes on pages 13- 22 form part of these financial statements.

These financial statements were approved by the board of directors on 4 April 2014 and were signed on its behalf by:


Mr Evelthon Vassilou
Director

Company registered number 02241601

Note of Historical Cost Profits and Losses
for the year ended 31 December 2013

	2013 £	2012 £
Reported profit on ordinary activities before taxation	383,294	447,954
Difference between a historical cost depreciation charge and the actual depreciation charge calculated on the revalued amount	10,876	10,876
Historical cost profit on ordinary activities before taxation	394,170	458,830
Historical cost profit for the year retained after taxation	277,846	535,840

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below.

1.1 Basis of preparation

The financial statements have been prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements. As the Company is a wholly owned subsidiary of Synek Limited, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group. The Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The financial statements have been prepared on the going concern basis, which assumes that the company will continue in operational existence for the foreseeable future.

The comparative in note 15 has been restated to accurately reflect the short term creditor split between parent and subsidiary entities.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for goods and services in relation to the Company's principal activity, net of VAT and settlement discounts. Discounts offered to customers in compensation of their contribution to the supply chain such as stocking and distributing the goods are reported in the cost of goods sold.

1.4 Tangible fixed assets and depreciation

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

Freehold buildings	50 years straight line
Plant and machinery	25% reducing balance
Fixtures, fittings, tools & equipment	25% reducing balance
Motor vehicles	25% reducing balance

1.5 Investments

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

1.6 Stock

Stock is valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items.

1.7 Pensions

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Notes (continued)

1 Accounting policies (continued)

1.8 Taxation

The charge for taxation is based on the profit/(loss) for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

1.9 Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

1.10 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company is exempt from the requirement to prepare group accounts by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Synek Limited, a company incorporated in Cyprus, and its results are included in the consolidated accounts of that company.

2 Analysis of turnover

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

3 Notes to the profit and loss account

Profit on ordinary activities before taxation is stated after charging:

	2013	2012
Depreciation and other amounts written off tangible fixed assets	62,034	69,039
Auditors' remuneration	23,850	21,500
Impairment of investments (held as current assets)	471	4,010
Total	86,355	94,549

4 Remuneration of directors

	2013	2012
Directors' emoluments	458,289	400,617
Company contributions to money purchase pension schemes	26,475	20,791
Total	484,764	421,408

Emoluments disclosed above include £273,000 (2012: £194,658) paid to the highest paid director. Company pension contributions of £18,750 (2012: £13,064) were made to a money purchase scheme on his behalf. The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2012: 2).

Notes (continued)

5 Staff numbers and cost

The average number of persons employed by the Company (including directors) during the year was as follows:

	Number of employees	
	2013	2012
Design Room	42	42
Sales	12	11
Admin	4	5
Production	10	10
Directors	4	4
	72	72
	72	72

The aggregate payroll costs of these persons were as follows:

	2013	2012
	£	£
Wages and salaries	2,764,854	2,615,499
Social security costs	315,603	290,344
Other pension costs	55,997	47,828
	3,136,454	2,953,671
	3,136,454	2,953,671

6 Other interest receivable and similar income

	2013	2012
	£	£
Bank interest	12	28,106
	12	28,106
	12	28,106

7 Interest payable and similar charges

	2013	2012
	£	£
On bank loans and overdrafts	85,515	86,492
On amounts payable to group companies	19,478	29,395
Bank charges	49,531	45,080
	154,524	160,967
	154,524	160,967

Notes (continued)

8 Taxation

Analysis of charge in period

	2013	2012
	£	£
<i>UK corporation tax</i>		
Current tax on income for the period	-	-
Total current tax	-	-
<i>Deferred tax (see note 12)</i>		
Origination/reversal of timing differences	(8,684)	(4,425)
Utilisation of tax losses	(107,640)	81,435
Total deferred tax credit/(charge)	(116,324)	77,010
Tax (charge)/credit on profit on ordinary activities	(116,324)	77,010

Factors affecting the tax charge for the current period

The current tax charge for the period is lower (2012: lower) than the standard rate of corporation tax in the UK (23.25%, 2012: 24.5%). The differences are explained below.

	2013	2012
	£	£
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	383,294	447,954
Current tax at 23.25% (2012: 24.5%)	89,115	109,748
<i>Effects of:</i>		
Expenses not deductible for tax purposes	9,841	8,155
Origination/reversal of timing differences	8,684	4,861
Utilisation of tax losses	(107,640)	(122,764)
Total current tax credit (see above)	-	-

Factors that may affect future current and total tax charges

As announced in the March 2013 Budget, the standard rate of corporation tax in the UK changed from 24% to 23% with effect from 1 April 2013. Accordingly, the Company's profits for this accounting period are taxed at an effective rate of 23.25%. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the Company's future tax charge accordingly.

The Company has trading losses of £919,274 (2012: £1,324,367) available to utilise against future taxable profits.

Notes (continued)

9 Tangible fixed assets

	Land and buildings	Plant and machinery	Fixtures, fittings, tools and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At beginning of year	1,500,000	585,442	480,801	61,820	2,978,063
Additions / revaluation	350,000	54,225	5,900	-	60,125
Disposals	-	-	-	-	-
At end of year	<u>1,850,000</u>	<u>639,667</u>	<u>486,700</u>	<u>61,820</u>	<u>3,038,187</u>
Depreciation					
At beginning of year	47,904	473,838	462,456	47,108	1,031,306
Charge for year	23,918	31,602	4,868	3,678	-
Disposals	(71,822)	-	-	-	-
At end of year	<u>-</u>	<u>505,440</u>	<u>467,324</u>	<u>50,786</u>	<u>1,023,550</u>
Net book value					
At 31 December 2013	<u>1,850,000</u>	<u>134,227</u>	<u>19,377</u>	<u>11,034</u>	<u>2,014,638</u>
At 31 December 2012	<u>1,452,096</u>	<u>111,604</u>	<u>18,345</u>	<u>14,712</u>	<u>1,596,757</u>

The following information relates to tangible fixed assets carried on the basis of revaluations in accordance with FRS 15 *Tangible fixed assets*.

Land and buildings

	2013 £	2012 £
Historical cost of revalued assets	543,892	543,892
Aggregate depreciation thereon	(194,451)	(183,573)
Historical cost net book value	<u>349,441</u>	<u>360,319</u>

The company's main asset at Liverpool Road, London N1 1NL was re-valued on the 14th January 2014 by Christo & Co, Chartered Surveyor, at £1.850m. The valuation is reflected in the financial statements. The directors followed independent advice as allocated 30% of the revaluation to land and 70% to buildings.

Notes (continued)

10 Fixed asset investments

	Alison Hayes Romania SRL	Ruby & Ted Clothing Company Ltd	Print Box London Ltd	Total
	£	£	£	£
<i>Cost or valuation</i>				
At beginning of year	2,665,210	1	100	2,665,311
Additions	103	-	90	193
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	2,665,313	1	190	2,665,504
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 December 2013	2,665,313	1	190	2,665,504
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2012	2,650,210	1	100	2,665,311
	<hr/>	<hr/>	<hr/>	<hr/>

The Companies in which the Company's interest at the year end is more than 20% is as follows:

	Country of incorporation	Principal activity	Percentage of Ordinary Shares Held
<i>Subsidiary undertakings</i>			
Alison Hayes (Romania) SRL	Romania	Manufacture of garments	99.96%
Ruby & Ted Clothing Company Limited	UK	Manufacture of garments	100%
Print Box London Limited	UK	Manufacture of garments	95%

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and Reserves at 31/12/2013	Profit/(loss) for the year to 31/12/2013
	£	£
Alison Hayes (Romania) SRL	10,825,332	682,779
Ruby & Ted Clothing Company Limited	(344,142)	(105,517)
Print Box London Limited	(268,077)	(71,178)
	<hr/>	<hr/>

11 Stocks

	2013	2012
	£	£
Finished goods and goods for resale	726,570	312,786
	<hr/>	<hr/>

Notes (continued)

12 Debtors

	2013	2012
	£	£
Trade debtors	4,309,041	4,649,357
Other debtors	71,460	33,679
Prepayments and accrued income	168,458	161,678
Corporation tax	549	549
Deferred tax asset	183,855	300,179
Loans granted to subsidiaries	890,031	493,514
	5,623,394	5,638,956
	5,623,394	5,638,956

The elements of deferred taxation are as follows:

	2013	2012
	£	£
Difference between accumulated depreciation and amortisation and capital allowances	(13,109)	(4,425)
Tax Losses	196,964	304,604
	183,855	300,179
	183,855	300,179

The company has losses carried forward of £919,274 (2012: £1,324,367) of which £183,855 have been recognised as a deferred tax asset (2012: £300,179).

13 Invoice Discount Facility

	2013	2012
	£	£
Non-returnable proceeds	2,642,296	3,122,175
	2,642,296	3,122,175

The criteria for linked presentation are met as the entity is not obliged to support any losses, nor does it intend to do so.

The provider of the finance has agreed in writing that it will seek repayment of the finance, as to both principal and interest, only to the extent that sufficient funds are generated by the specific item it has financed and that it will not seek recourse in any other form.

The Company has an invoice discounting arrangement with a maximum credit limit of £5,000,000 but not greater than the debtor ledger at any point in time. The Company is entitled to pre pay up to 85% of the credit limit based on existing receivable and after deducting the following:

- the value of the ineligible debts
- standard retention
- any amounts on Company responsibility

Notes (continued)

14 Investments (held as current assets)

	2013	2012
	£	£
Listed investments	2,290	2,761
	<u>2,290</u>	<u>2,761</u>

At the date of signing the financial statements the market value of the listed investments was approximately £2,265 (2012: £2,336).

15 Creditors: amounts falling due within one year

	2013	(restated) 2012
	£	£
Bank overdrafts	-	30,699
Trade creditors	202,719	170,940
Amounts owed to parent undertaking	558,359	565,711
Amounts owed to subsidiary undertaking	1,354,388	273,827
Taxation and social security	220,995	507,551
Other creditors	34,917	18,289
Accruals and deferred income	103,122	86,235
	<u>2,474,500</u>	<u>1,653,252</u>

The bank overdraft and other facilities were secured by a first legal charge over all the assets of the company in the prior year and all assets except the financed debtors in the current year.

16 Creditors: amounts falling due after more than one year

	2013	2012
	£	£
Other loans – amounts owed to parent undertaking	587,967	729,670
	<u>587,967</u>	<u>729,670</u>
Analysis of loans		
Repayable after five years by instalments	317,156	317,156
Wholly repayable within five years	422,811	575,514
	<u>739,967</u>	<u>892,670</u>
Included in current liabilities	(152,000)	(163,000)
	<u>587,967</u>	<u>729,670</u>

Notes (continued)

17 Creditors: amounts falling due after more than one year (continued)

	2013	2012
	£	£
Loan maturity analysis		
In more than one year but not more than two years	138,000	312,000
In more than two years, but not more than five years	132,811	100,514
In more than five years	317,156	317,156
	587,967	729,670
	587,967	729,670

In 2007 the company borrowed £1,280,000 from the parent company, Synek Limited, to finance the continued growth of the business. Interest is charged at a rate of 2.25% above the 3 month LIBOR rate. At 31 December 2013 the total outstanding balance was £739,967 (2012: £892,670)

18 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	2013	2012
	£	£
Contributions payable by the company for the year	55,997	47,828
	55,997	47,828
	55,997	47,828

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

19 Called up share capital

	2013	2012
	£	£
Authorised		
1,000,000 ordinary shares of £1 each	1,000,000	1,000,000
	1,000,000	1,000,000
Allotted, called up and fully paid		
1,000,000 ordinary shares of £1 each	1,000,000	1,000,000
	1,000,000	1,000,000
	1,000,000	1,000,000

Notes (continued)

20 Reconciliation of movement in shareholders' funds

	2013 £	2012 £
Profit for the financial year	266,970	524,964
Retained profit for the year	266,970	524,964
Other recognised gains and losses relating to the year	419,791	-
Net increase in shareholders' funds	686,761	524,964
Opening shareholders' funds	4,854,240	4,329,276
Closing shareholders' funds	5,541,001	4,854,240

21 Statement of movement on reserves

	Revaluation reserve £	Profit and loss account £
Balance at 1 January 2013	1,181,553	2,672,687
Gain on Revaluation	419,791	-
Profit for the year	-	266,970
Balance at 31 December 2013	1,601,344	2,939,657

22 Related party disclosures

Ultimate parent company and parent undertaking of larger group of which the company is a member

The Company is a wholly owned subsidiary undertaking of Synek Limited which is the ultimate controlling party and ultimate parent company incorporated in Cyprus.

The only group in which the results of the Company are consolidated is that headed by Synek Limited. The consolidated financial statements of Synek Limited are available to the public and may be obtained from Stavros Avenue 56, Kariadides Trading Centre, Block A2, Flat 105, Strovolos, Nicosia, Cyprus.

Related party transactions

During the year the company purchased goods in the ordinary course of business from Alison Hayes (Romania) SRL, a subsidiary undertaking, totalling £28,400,291 (2012: £29,984,653). The company recharged £569,520 (2012: £335,745) of costs incurred to Alison Hayes (Romania) SRL. At the balance sheet date the amount owing to Alison Hayes (Romania) Srl was £1,209,539 (2012: £676,537) in addition to the loan as disclosed in Note 18.

The company recharged £134,094 (2012: £194,347) of costs incurred to Print Box London Limited. At the balance sheet date the amount owing from Print Box London Limited was £395,062 (2012: £223,39).

During the year the company purchased goods in the ordinary course of business from Ruby & Ted Clothing Company Limited, a subsidiary undertaking, totalling £326,160 (2012: £218,245). The company recharged £57,776 (2012: £178,106) of costs incurred to Ruby & Ted Clothing Company Limited. At the balance sheet date the amount owing from Ruby & Ted Clothing Company Limited was £306,205 (2012: £270,123).