

Company Registration No. 895642 (England and Wales)

**INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2016**



# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## COMPANY INFORMATION

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

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# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

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# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## STRATEGIC REPORT

*FOR THE YEAR ENDED 30 APRIL 2016*

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The directors present the strategic report for the year ended 30 April 2016.

### **Fair review of the business**

Following a review of the business and market conditions in the UK clothing market and taking in to account that a significant customer in BHS went in to administration the directors took the decision to close down its clothing interests.

As a result, following the year end the principal activity of the business ceased to be that of design and distribution of clothing and accessories. It is now primarily a property business concentrating on maximising the value of its principal asset, a building it owns.

### **Principal risks and uncertainties**

The principal risks and uncertainties facing the group arose 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 recognised that they had little influence over these economic risks, and despite the efforts of the directors to take action to minimise the effect of these factors wherever possible and in particular on the potential failure of customers and currency risk, the directors made the decision to close the clothing business.

Going forward the principal risks and uncertainties facing the group will derive from factors affecting the London property market.

### **Development and performance**

The group made a loss of £1,555,066 for the period on a turnover of £16,393,834 (2015: £24,373,611), before an exceptional bad debt expense of £603,002, resulting in a final pre-tax loss of £2,158,068 (2015: £566,054).

At 30 April 2016, following the revaluation of the group's property, the group had net assets of £14,091,840 (2015: £9,281,407).

### **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



J W S Lawrence

Director

20 FEBRUARY 2017

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## DIRECTORS' REPORT

*FOR THE YEAR ENDED 30 APRIL 2016*

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The directors present their annual report and financial statements for the year ended 30 April 2016.

### **Principal activities**

The principal activity of the business continued to be that of design and distribution of clothing and accessories. Subsequent to the year end the decision was made to discontinue this clothing business. The principal activity of the group is now that of a property business.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

J W S Lawrence

S Mehta

R Caring

(Resigned 31 October 2016)

### **Results and dividends**

The results for the year are set out on page 6.

No interim dividends were paid in the year. The directors do not recommend any final dividend in respect of any class of shares as at 30 April 2016.


### **Auditor**

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.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company and group is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company and group is aware of that information.

On behalf of the board



J W S Lawrence

**Director**

~~20 FEBRUARY 2017~~

# **INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 30 APRIL 2016***

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The directors are responsible for preparing the Annual 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 group and company, 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 and company will continue in business.

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

# **INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED**

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We have audited the financial statements of International Clothing Designs (Holdings) Limited for the year ended 30 April 2016 set out on pages 6 to 30. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 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.

#### **Basis of qualified opinion on financial statements**

The audit evidence available to us in order to assess the appropriateness of management's judgement regarding the extent of losses suffered by the group following the insolvency of a major customer of a subsidiary, as described in Note 2, was limited because a significant element of it could only be relayed to us in the form of management representations. Should the contracts entered into for the purchase of goods for onward sale to the lost customer prove to be onerous, a material provision may need to be made. As a result we have not been able to obtain sufficient appropriate audit evidence in connection with this potentially material area, nor are we able to quantify the effect on the financial statements should a provision need to be made.

#### **Qualified opinion on financial statements**

In our opinion, except for the possible effects of the matter described in the Basis of Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 April 2016 and of its 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 the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# **INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED**

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

In respect solely of the limitation on our work relating described above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

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.

**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

NW1 3ER

United Kingdom

..... 24 February 2017



# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2016

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	Notes	2016 £	2015 £
Turnover	3	16,393,834	24,373,611
Cost of sales		(14,578,209)	(21,539,546)
<b>Gross profit</b>		<u>1,815,625</u>	<u>2,834,065</u>
Administrative expenses		(4,256,846)	(3,831,641)
Other operating income		380,155	473,687
<b>Operating loss</b>	4	<u>(2,061,066)</u>	<u>(523,889)</u>
Interest receivable and similar income	8	72,120	99,143
Interest payable and similar charges	9	(232,790)	(237,427)
Fair value movement in financial instruments		63,668	96,119
<b>Loss before taxation</b>		<u>(2,158,068)</u>	<u>(566,054)</u>
Taxation	10	-	(14,325)
<b>Loss for the financial year</b>		<u><u>(2,158,068)</u></u>	<u><u>(580,379)</u></u>

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

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2016

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	2016 £	2015 £
<b>Loss for the year</b>	(2,158,068)	(580,379)
<b>Other comprehensive income</b>		
Revaluation of tangible fixed assets	8,443,501	-
Tax relating to other comprehensive income	(1,475,000)	-
<b>Other comprehensive income for the year</b>	6,968,501	-
<b>Total comprehensive income for the year</b>	4,810,433	(580,379)

Total comprehensive income for the year is all attributable to the owners of the parent company.

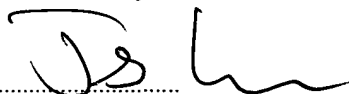
# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## GROUP BALANCE SHEET

AS AT 30 APRIL 2016

	Notes	2016		2015	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11		15,860,918		7,571,194
<b>Current assets</b>					
Stocks	15	125,666		618,784	
Debtors	16	7,867,447		10,121,233	
Cash at bank and in hand		23,708		18,606	
			8,016,821		10,758,623
<b>Creditors: amounts falling due within one year</b>	17	(7,768,401)		(8,024,936)	
<b>Net current assets</b>			248,420		2,733,687
<b>Total assets less current liabilities</b>			16,109,338		10,304,881
<b>Creditors: amounts falling due after more than one year</b>	18		(542,498)		(1,023,474)
<b>Provisions for liabilities</b>	20		(1,475,000)		-
<b>Net assets</b>			14,091,840		9,281,407
<b>Capital and reserves</b>					
Called up share capital	21		4,464,998		4,464,998
Revaluation reserve			11,248,419		4,375,001
Other reserves			467,775		467,775
Profit and loss reserves			(2,089,352)		(26,367)
<b>Total equity</b>			14,091,840		9,281,407

The financial statements were approved by the board of directors and authorised for issue on ~~20 February 2017~~ and are signed on its behalf by:



J W S Lawrence  
Director

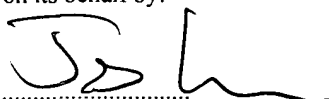
# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## COMPANY BALANCE SHEET

AS AT 30 APRIL 2016

	Notes	2016		2015	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11		15,857,570		7,563,720
Investments	12		-		2,005,021
			<u>15,857,570</u>		<u>9,568,741</u>
<b>Current assets</b>					
Stocks	15	39,238		21,017	
Debtors	16	5,755,329		5,664,787	
Cash at bank and in hand		3,000		3,000	
			<u>5,797,567</u>	<u>5,688,804</u>	
<b>Creditors: amounts falling due within one year</b>	17		<u>(6,872,353)</u>	<u>(5,574,688)</u>	
<b>Net current (liabilities)/assets</b>			<u>(1,074,786)</u>	<u>114,116</u>	
<b>Total assets less current liabilities</b>			<u>14,782,784</u>	<u>9,682,857</u>	
<b>Creditors: amounts falling due after more than one year</b>	18		(542,498)	(1,023,474)	
<b>Provisions for liabilities</b>	20		<u>(1,475,000)</u>	<u>-</u>	
<b>Net assets</b>			<u><u>12,765,286</u></u>	<u><u>8,659,383</u></u>	
<b>Capital and reserves</b>					
Called up share capital	21		4,464,998		4,464,998
Revaluation reserve			11,248,419		4,375,001
Other reserves			467,775		467,775
Profit and loss reserves			(3,415,906)		(648,391)
<b>Total equity</b>			<u><u>12,765,286</u></u>	<u><u>8,659,383</u></u>	

The financial statements were approved by the board of directors and authorised for issue on 29 February 2017 and are signed on its behalf by:



J W S Lawrence  
Director

Company Registration No. 895642

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2016

	Share capital	Revaluation reserve	Other reserves	Profit and loss reserves	Total
Notes	£	£	£	£	£
<b>Balance at 1 May 2014</b>	4,464,998	4,445,767	467,775	483,246	9,861,786
<b>Year ended 30 April 2015:</b>					
Loss and total comprehensive income for the year	-	-	-	(580,379)	(580,379)
Transfers	-	(70,766)	-	70,766	-
<b>Balance at 30 April 2015</b>	4,464,998	4,375,001	467,775	(26,367)	9,281,407
<b>Year ended 30 April 2016:</b>					
Loss for the year	-	-	-	(2,158,068)	(2,158,068)
Other comprehensive income:					
Revaluation of tangible fixed assets	-	8,443,501	-	-	8,443,501
Tax relating to other comprehensive income	-	(1,475,000)	-	-	(1,475,000)
Total comprehensive income for the year	-	6,968,501	-	(2,158,068)	4,810,433
Transfers	-	(95,083)	-	95,083	-
<b>Balance at 30 April 2016</b>	4,464,998	11,248,419	467,775	(2,089,352)	14,091,840

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2016

	Share capital	Revaluation reserve	Other reserves	Profit and loss reserves	Total
Notes	£	£	£	£	£
<b>Balance at 1 May 2014</b>	4,464,998	4,445,767	467,775	(205,511)	9,173,029
<b>Year ended 30 April 2015:</b>					
Loss and total comprehensive income for the year	-	-	-	(513,646)	(513,646)
Transfers	-	(70,766)	-	70,766	-
<b>Balance at 30 April 2015</b>	4,464,998	4,375,001	467,775	(648,391)	8,659,383
<b>Year ended 30 April 2016:</b>					
Loss for the year	-	-	-	(2,862,598)	(2,862,598)
Other comprehensive income:					
Revaluation of tangible fixed assets	-	8,443,501	-	-	8,443,501
Tax relating to other comprehensive income	-	(1,475,000)	-	-	(1,475,000)
Total comprehensive income for the year	-	6,968,501	-	(2,862,598)	4,105,903
Transfers	-	(95,083)	-	95,083	-
<b>Balance at 30 April 2016</b>	4,464,998	11,248,419	467,775	(3,415,906)	12,765,286

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2016

	Notes	2016		2015	
		£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	25	1,174,388		(924,923)	
Interest paid		(232,790)		(237,427)	
Income taxes refunded		10,290		19,266	
<b>Net cash inflow/(outflow) from operating activities</b>		<b>951,888</b>		<b>(1,143,084)</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(92,868)		(170,206)	
Interest received		72,120		99,143	
<b>Net cash used in investing activities</b>		<b>(20,748)</b>		<b>(71,063)</b>	
<b>Financing activities</b>					
Repayment of borrowings		(298,539)		446,163	
Repayment of bank loans		(470,481)		(328,585)	
<b>Net cash (used in)/generated from financing activities</b>		<b>(769,020)</b>		<b>117,578</b>	
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>162,120</b>		<b>(1,096,569)</b>	
Cash and cash equivalents at beginning of year		(4,861,635)		(3,765,066)	
<b>Cash and cash equivalents at end of year</b>		<b>(4,699,515)</b>		<b>(4,861,635)</b>	
<b>Relating to:</b>					
Cash at bank and in hand		23,708		18,606	
Bank overdrafts included in creditors payable within one year		(4,723,223)		(4,880,241)	

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 30 APRIL 2016**

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### 1 Accounting policies

#### Company information

International Clothing Designs (Holdings) Limited (“the company”) is a limited company domiciled and incorporated in England and Wales. The registered office is 26-28 Conway Street, London, W1T 6BQ.

The group consists of International Clothing Designs (Holdings) Limited and all of its subsidiaries.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These group and company financial statements for the year ended 30 April 2016 are the first financial statements of International Clothing Designs (Holdings) Limited and the group prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements for the preceding period were prepared in accordance with previous UK GAAP. The date of transition to FRS 102 was 1 May 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 26.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 ‘Statement of Financial Position’ – Reconciliation of the opening and closing number of shares;
- Section 7 ‘Statement of Cash Flows’ – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instrument Issues’ – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 ‘Share based Payment’ – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 ‘Related Party Disclosures’ – Compensation for key management personnel.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company’s loss for the year was £2,862,598 (2015 - £513,646 loss):



# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

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### 1 Accounting policies

(Continued)

#### 1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

The consolidated financial statements incorporate those of International Clothing Designs (Holdings) Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 30 April 2016. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

#### 1.3 Going concern

As a result of deteriorating market conditions, and following a major customer entering administration, the company's subsidiary, Tapestry Design Company Limited, has entered a wind-down period. The directors expect the trade of this subsidiary to be discontinued on an orderly basis by April 2017 at the latest. The expectation is that all of the subsidiary's assets will be fully realised in the normal course of business and that the subsidiary, and the group, will continue to be able to meet all obligations as they fall due. The group financial statements have therefore been prepared on a going concern basis.

#### 1.4 Turnover

Turnover is recognised at the fair value of consideration received or receivable for goods and services net of VAT and trade discounts.

#### 1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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 and buildings	2% Straight line
Fixtures, fittings & equipment	20% - 33% Straight line
Motor vehicles	25% Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

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### 1 Accounting policies

(Continued)

#### 1.6 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

##### *Basic financial assets*

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

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### 1 Accounting policies

(Continued)

#### *Impairment of financial assets*

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

The impairment loss is recognised in profit or loss.

#### *Classification of financial liabilities*

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

#### *Other financial liabilities*

Derivatives and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

#### 1.10 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

#### 1.11 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

#### 1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

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### 1 Accounting policies

(Continued)

#### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.13 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.14 Leases**

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

#### **1.15 Foreign exchange**

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 FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

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### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### **Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### ***Impairment of loan to company under common control***

The group has made a significant loan to a company under common control, in respect of which the directors are aware that the debtor company has insufficient assets to meet its repayment obligations. As a result, the directors have considered all evidence available to them with regard to the strength of security over this loan, including personal guarantees provided, in order to assess whether the loan may be impaired and to quantify any impairment loss. The directors have concluded that the group holds adequate security and that no impairment loss has arisen.

#### ***Impact on accounting basis of wind-down of trade of subsidiary***

The directors have had to consider whether the planned wind-down of the trade of the company's subsidiary, Tapestry Design Company Limited, may affect the accounting basis adopted in the preparation of the group financial statements. Relevant factors in this consideration include the nature and value of the subsidiary's assets and liabilities at the balance sheet date and the directors' expectations during the wind-down period. The directors' conclusion on this matter and their reasons for it are as disclosed in Note 1.3.

#### ***Potential losses from the insolvency of a major customer of a subsidiary***

The directors have had to consider the likelihood of the group suffering losses, and the extent of any such losses, as a result of a major customer of the company's subsidiary, Tapestry Design Company Limited, entering administration at the year-end and subsequently closing its business. The group is exposed to possible impairment of trade debtors as a result of invoiced sales that may prove to be uncollectible. Having considered all relevant factors, including the evidence arising from events subsequent to the balance sheet date, the directors have concluded that an impairment of trade debtors has occurred and have recognised an exceptional bad debt expense as disclosed in note 4. In addition, as at the balance sheet date, the group had, based upon orders from this customer, entered in to contracts for the purchase of goods, which if the contracts were completed could result in a loss being incurred. Having reviewed the relevant factors, the directors have concluded that the contracts are no longer binding and that a provision for losses under these contracts is not required.

#### **Key sources of estimation uncertainty**

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### ***Fair value of freehold land and buildings***

The group's policy of carrying land and buildings at their fair value, less accumulated depreciation, via regular revaluations, requires the market value of the property to be estimated. The group manages the resulting estimation uncertainty by engaging independent expert valuers to provide all property valuations.

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

### 3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2016 £	2015 £
<b>Turnover</b>		
Sale of goods	16,393,834	24,373,611
	<u>                    </u>	<u>                    </u>
<b>Other significant revenue</b>		
Interest income	72,120	99,143
	<u>                    </u>	<u>                    </u>

#### Turnover analysed by geographical market

	2016 £	2015 £
United Kingdom	16,393,834	24,373,611
	<u>                    </u>	<u>                    </u>

### 4 Operating Loss

	2016 £	2015 £
Operating loss for the year is stated after charging/(crediting):		
Exchange losses	304,833	648,564
Depreciation of owned tangible fixed assets	246,624	199,883
Cost of stocks recognised as an expense	14,258,519	20,890,395
	<u>                    </u>	<u>                    </u>

Cost of sales includes £137,999 (2015: £nil) in respect of advance payments made to a supplier to secure raw materials. The directors do not consider these advances to be recoverable.

Administrative expenses includes an exceptional bad debt expense of £603,002 (2015: £nil) representing the impairment of trade debtor balances following the insolvency of one of the group's major customers.

### 5 Auditor's remuneration

	2016 £	2015 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	25,000	31,700
Audit of the company's subsidiaries	12,500	15,450
	<u>                    </u>	<u>                    </u>
	37,500	47,150
	<u>                    </u>	<u>                    </u>

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

### 6 Employees

The average monthly number of persons (including directors) employed by the group during the year was:

	2016 Number	2015 Number
Selling & distribution	6	7
Administration	35	43
	<u>41</u>	<u>50</u>

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	2,216,100	2,157,589
Social security costs	183,989	211,245
Pension costs	-	721
	<u>2,400,089</u>	<u>2,369,555</u>

### 7 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	<u>384,770</u>	<u>380,308</u>

Remuneration disclosed above includes the following amounts paid to the highest paid director:

Remuneration for qualifying services	<u>253,049</u>	<u>253,515</u>
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### 8 Interest receivable and similar income

	2016 £	2015 £
<b>Interest income</b>		
Other interest income	<u>72,120</u>	<u>99,143</u>

### 9 Interest payable and similar charges

	2016 £	2015 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	<u>232,790</u>	<u>237,427</u>

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

### 10 Taxation

	2016	2015
	£	£
<b>Deferred tax</b>		
Adjustment in respect of prior periods	-	14,325
	<u>          </u>	<u>          </u>

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

	2016	2015
	£	£
Loss before taxation	(2,158,068)	(566,054)
	<u>          </u>	<u>          </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.92%)	(431,614)	(118,418)
Tax effect of expenses that are not deductible in determining taxable profit	6,359	8,270
Change in unrecognised deferred tax assets	400,896	117,843
Adjustments in respect of prior years	(24,584)	-
Depreciation in excess of capital allowances claimed	48,943	41,584
Deferred tax adjustments in respect of prior years	-	14,325
Directors' remuneration adjustment	-	(29,171)
Transition adjustments	-	(20,108)
	<u>          </u>	<u>          </u>
Tax expense for the year	-	14,325
	<u>          </u>	<u>          </u>

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2016	2015
	£	£
Deferred tax arising on:		
Revaluation of property	1,475,000	-
	<u>          </u>	<u>          </u>



# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

### 11 Tangible fixed assets

Group	Freehold land and buildings	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 May 2015	7,650,000	659,437	9,856	8,319,293
Additions	-	92,847	-	92,847
Revaluation	8,150,000	-	-	8,150,000
At 30 April 2016	15,800,000	752,284	9,856	16,562,140
<b>Depreciation and impairment</b>				
At 1 May 2015	293,501	444,742	9,856	748,099
Depreciation charged in the year	179,760	66,864	-	246,624
Revaluation	(293,501)	-	-	(293,501)
At 30 April 2016	179,760	511,606	9,856	701,222
<b>Carrying amount</b>				
At 30 April 2016	15,620,240	240,678	-	15,860,918
At 30 April 2015	7,356,499	214,695	-	7,571,194
<b>Company</b>				
Company	Freehold land and buildings	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 May 2015	7,650,000	624,379	9,856	8,284,235
Additions	-	91,977	-	91,977
Revaluation	8,150,000	-	-	8,150,000
At 30 April 2016	15,800,000	716,356	9,856	16,526,212
<b>Depreciation and impairment</b>				
At 1 May 2015	293,501	417,158	9,856	720,515
Depreciation charged in the year	179,760	61,868	-	241,628
Revaluation	(293,501)	-	-	(293,501)
At 30 April 2016	179,760	479,026	9,856	668,642
<b>Carrying amount</b>				
At 30 April 2016	15,620,240	237,330	-	15,857,570
At 30 April 2015	7,356,499	207,221	-	7,563,720

The freehold land and buildings were revalued to £15,800,000 on an open market basis in October 2015 by Lambert Smith Hampton, an independent firm of chartered surveyors. The valuation was undertaken in accordance with the Royal Institution of Chartered Surveyors Valuation Standards.

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

### 12 Fixed asset investments

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Investments in subsidiaries	13	-	-	-	2,005,021

#### Movements in fixed asset investments

Company	Shares £
<b>Cost or valuation</b>	
At 1 May 2015 & 30 April 2016	2,005,021
<b>Impairment</b>	
At 1 May 2015	-
Impairment losses	2,005,021
At 30 April 2016	2,005,021
<b>Carrying amount</b>	
At 30 April 2016	-
At 30 April 2015	2,005,021

### 13 Subsidiaries

Details of the company's subsidiaries at 30 April 2016 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held	
			Direct	Indirect
Tapestry Design Company Limited	England	Clothing	Ordinary	100.00
The Nashville Corporation Limited	England	Dormant	Ordinary	100.00
Tapestry Design Company (Bangladesh) Limited	Bangladesh	Clothing - ceased	Ordinary	5.00 95.00

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

### 14 Financial instruments

	Group 2016 £	2015 £	Company 2016 £	2015 £
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	7,596,022	9,403,989	5,490,887	5,322,358
<b>Carrying amount of financial liabilities</b>				
Measured at fair value through profit or loss				
- Other financial liabilities	59,230	122,919	-	-
Measured at amortised cost	12,687,929	12,669,209	7,337,203	6,546,258

#### Presentation of factored debts

The group is party to two separate debt factoring arrangements.

Under the first of these arrangements advances received are without recourse. The group has presented a net figure in trade debtors in respect of these items, being the relevant gross receivable balances less the sum of all non-returnable advances received. The relevant figures are as follows:- gross debtors of £669,051 (2015: £1,187,051) less non-returnable advances of £456,175 (2015: £907,618).

Under the second arrangement advances received are returnable on event of non payment. In respect of these items the gross receivable balance is presented within trade debtors and the liability in respect of potentially returnable advances is presented as "other borrowings" within creditors. The relevant trade debtors figures are as follows:- £884,423 (2015: £1,516,081).

### 15 Stocks

	Group 2016 £	2015 £	Company 2016 £	2015 £
Finished goods and goods for resale	125,666	618,784	39,238	21,017

### 16 Debtors

	Group 2016 £	2015 £	Company 2016 £	2015 £
<b>Amounts falling due within one year:</b>				
Trade debtors	1,198,690	2,602,354	101,391	67,845
Corporation tax recoverable	2,210	12,500	2,210	12,500
Other debtors	6,397,332	6,801,635	5,389,496	5,254,513
Prepayments and accrued income	269,215	704,744	262,232	329,929
	7,867,447	10,121,233	5,755,329	5,664,787

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

### 17 Creditors: amounts falling due within one year

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Bank loans and overdrafts	19	5,194,637	5,341,160	6,242,244	4,925,531
Other borrowings	19	1,200,896	1,499,435	-	-
Trade creditors		1,023,267	570,178	308,257	370,898
Amounts due to group undertakings		-	-	113,610	106,616
Other taxation and social security		84,864	67,295	77,648	51,904
Derivative financial instruments		59,230	122,919	-	-
Other creditors		55,729	143,569	29,225	38,376
Accruals and deferred income		149,778	280,380	101,369	81,363
		<u>7,768,401</u>	<u>8,024,936</u>	<u>6,872,353</u>	<u>5,574,688</u>

### 18 Creditors: amounts falling due after more than one year

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Bank loans and overdrafts	19	542,498	1,023,474	542,498	1,023,474
		<u>542,498</u>	<u>1,023,474</u>	<u>542,498</u>	<u>1,023,474</u>

### 19 Loans and overdrafts

	Group 2016 £	2015 £	Company 2016 £	2015 £
Bank loans	1,013,912	1,484,393	1,013,912	1,484,393
Bank overdrafts	9,244,347	8,691,254	5,770,830	4,464,612
Other loans	1,200,896	1,499,435	-	-
	<u>11,459,155</u>	<u>11,675,082</u>	<u>6,784,742</u>	<u>5,949,005</u>
Payable within one year	10,916,657	10,651,608	6,242,244	4,925,531
Payable after one year	542,498	1,023,474	542,498	1,023,474
	<u>11,459,155</u>	<u>11,675,082</u>	<u>6,784,742</u>	<u>5,949,005</u>

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

The bank loans and overdrafts 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 FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

### 20 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	<b>Liabilities 2016</b>	<b>Liabilities 2015</b>
	<b>£</b>	<b>£</b>
<b>Group</b>		
Revaluations	1,475,000	-
	<u>1,475,000</u>	<u>-</u>
	<b>Liabilities 2016</b>	<b>Liabilities 2015</b>
	<b>£</b>	<b>£</b>
<b>Company</b>		
Revaluations	1,475,000	-
	<u>1,475,000</u>	<u>-</u>
	<b>Group 2016</b>	<b>Company 2016</b>
	<b>£</b>	<b>£</b>
<b>Movements in the year:</b>		
Liability at 1 May 2015	-	-
Charge to other comprehensive income	1,475,000	1,475,000
	<u>1,475,000</u>	<u>1,475,000</u>
Liability at 30 April 2016	<u>1,475,000</u>	<u>1,475,000</u>

The deferred tax liability set out above is not expected to reverse within 12 months and relates to the estimated tax liability expected to arise should the revalued freehold property be sold at its revalued amount.

Deferred tax is not recognised in respect of group tax losses of £2,597,034 (2015: £592,410) as it is not probable that they will be recovered against the reversal of deferred tax liabilities or future taxable profits.

### 21 Share capital

	<b>Group and company</b>	
	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
9,998 Ordinary shares of £1 each	9,998	9,998
	<u>9,998</u>	<u>9,998</u>
<b>Preference share capital</b>		
<b>Issued and fully paid</b>		
4,455,000 Preference shares of £1 each	4,455,000	4,455,000
	<u>4,455,000</u>	<u>4,455,000</u>

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 30 APRIL 2016**

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### **22 Financial commitments, guarantees and 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 2016, the group's maximum potential liability under this arrangement was £1,034,166 (2015: £2,009,814).

At 30 April 2016, the company's maximum potential liability under this arrangement was £1,715,625 (2015: £3,924,879).

### **23 Related party transactions**

Included within other creditors is £7,130 (2015: £11,501) owed to a director.

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

During the year the group entered into the following transactions with companies under common control:-

Purchases made of £554,771 (2015: £614,283).

Commission and miscellaneous charges receivable of £927,089 (2015: £1,085,486).

Interest receivable of £23,717 (2015: £31,304).

Payments on behalf of a company under common control (net of reimbursements) of £400,000 (2015: £400,000).

Amounts due from companies under common control as at the balance sheet date was £5,383,917 (2015: £5,238,617).

Included within this figure is a loan to a company under common control of £4,717,495 (2015: £4,317,495) which is guaranteed by a director.

### **24 Controlling party**

The ultimate controlling party is Richard Caring.

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

### 25 Cash generated from group operations

	2016 £	2015 £
Loss for the year after tax	(2,158,068)	(580,379)
Adjustments for:		
Taxation charged	-	14,325
Finance costs	232,790	237,427
Investment income	(72,120)	(99,143)
Depreciation and impairment of tangible fixed assets	246,624	199,883
Fair value movement in financial assets	(63,668)	(96,119)
Movements in working capital:		
Decrease in stocks	493,118	604,695
Decrease/(increase) in debtors	2,243,496	(87,973)
Increase/(decrease) in creditors	252,216	(1,117,639)
<b>Cash generated from/(absorbed by) operations</b>	<b>1,174,388</b>	<b>(924,923)</b>

### 26 Reconciliations on adoption of FRS 102

#### Reconciliation of equity - group

Notes	At 1 May 2014			At 30 April 2015		
	Previous UK GAAP £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Effect of transition £	FRS 102 £
<b>Fixed assets</b>						
Tangible assets	7,600,871	-	7,600,871	7,571,194	-	7,571,194
<b>Current assets</b>						
Stocks	1,223,479	-	1,223,479	618,784	-	618,784
Debtors	10,052,526	-	10,052,526	10,121,233	-	10,121,233
Bank and cash	3,991,354	-	3,991,354	3,829,619	-	3,829,619
	15,267,359	-	15,267,359	14,569,636	-	14,569,636
<b>Creditors due within one year</b>						
Loans and overdrafts	(9,228,832)	-	(9,228,832)	(10,651,608)	-	(10,651,608)
Taxation	(159,098)	-	(159,098)	(67,295)	-	(67,295)
Derivatives	-	(219,038)	(219,038)	-	(122,919)	(122,919)
Other creditors	(2,019,963)	-	(2,019,963)	(994,127)	-	(994,127)
	(11,407,893)	(219,038)	(11,626,931)	(11,713,030)	(122,919)	(11,835,949)
Net current assets	3,859,466	(219,038)	3,640,428	2,856,606	(122,919)	2,733,687
Total assets less current liabilities	11,460,337	(219,038)	11,241,299	10,427,800	(122,919)	10,304,881

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

### 26 Reconciliations on adoption of FRS 102

(Continued)

Notes	At 1 May 2014			At 30 April 2015		
	Previous UK GAAP £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Effect of transition £	FRS 102 £
<b>Creditors due after one year</b>						
Loans and overdrafts	(1,393,838)	-	(1,393,838)	(1,023,474)	-	(1,023,474)
<b>Provisions for liabilities</b>						
Deferred tax	14,325	-	14,325	-	-	-
Net assets	10,080,824	(219,038)	9,861,786	9,404,326	(122,919)	9,281,407
<b>Capital and reserves</b>						
Share capital	4,464,998	-	4,464,998	4,464,998	-	4,464,998
Revaluation reserve	4,445,767	-	4,445,767	4,375,001	-	4,375,001
Own shares reserve	467,775	-	467,775	467,775	-	467,775
Profit and loss	702,284	(219,038)	483,246	96,552	(122,919)	(26,367)
Total equity	10,080,824	(219,038)	9,861,786	9,404,326	(122,919)	9,281,407

### Reconciliation of profit or loss for the year - group

Notes	Year ended 30 April 2015		
	Previous UK GAAP £	Effect of transition £	FRS 102 £
Turnover	24,373,611	-	24,373,611
Cost of sales	(21,539,546)	-	(21,539,546)
Gross profit	2,834,065	-	2,834,065
Administrative expenses	(3,831,641)	-	(3,831,641)
Other operating income	473,687	-	473,687
Operating profit	(523,889)	-	(523,889)
Interest receivable and similar income	99,143	-	99,143
Interest payable and similar charges	(237,427)	-	(237,427)
Fair value movement in financial instruments	-	96,119	96,119
Loss before taxation	(662,173)	96,119	(566,054)
Taxation	(14,325)	-	(14,325)
Loss for the financial period	(676,498)	96,119	(580,379)



# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 30 APRIL 2016*

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**26 Reconciliations on adoption of FRS 102**

**(Continued)**

**Notes to reconciliations on adoption of FRS 102 - group**

**Derivative contracts**

Under previous UK GAAP the group did not recognise an asset or liability in respect of open forward exchange contracts. Under FRS 102 these contracts are included in the balance sheet at their fair value, with movements in the fair value being recognised in the profit and loss account. The fair value of the relevant contracts at transition was a liability of £219,038 and as at 30 April 2015 a liability of £122,919. The movement in fair value for the year ended 30 April 2015 was a reduction in the liability of £96,119. The effects of this transitional adjustment can be seen in the reconciliation statements presented above.