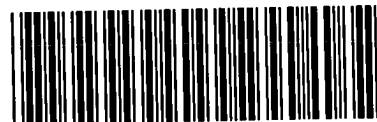


COMPANY REGISTRATION NUMBER: 00494649

Gloverall PLC
Financial Statements
For the year ended
31 December 2018

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Gloverall PLC
Financial Statements
Year ended 31 December 2018

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Gloverall PLC

Officers and Professional Advisers

The board of directors

I K Kim
S H Kim
R S Batth
C Murray

Company secretary

C Murray

Registered office

Baron Avenue
Earls Barton
Northampton
Northamptonshire
NN6 0JE

Auditor

Streets Audit LLP
Chartered Accountants & statutory auditor
Enterprise House
38 Tyndall Court
Commerce Road
Lynch Wood
Peterborough
Cambridgeshire
PE2 6LR

Bankers

NatWest Bank Plc
315 Station Road
Harrow
Middlesex
HA1 2AD

Gloverall PLC

Strategic Report

Year ended 31 December 2018

Principal Activity

The principal activity of the company in the year under review was the wholesale distribution of duffle coats, knitwear and casual outerwear.

Business Review

The company reported a loss of £547,163 (2017 - £440,984 from continuing operations).

The company continues to monitor its working capital requirements with continued support from the group as required.

Future Developments

The closure of the Peter Scott business in 2017 has allowed management to focus on the core Gloverall products and brand. We have expanded our core markets in the UK and Japan during 2018 resulting in an increase of 17% turnover for Gloverall products. We hope the continued expansion of these markets will result in an improvement in the trading performance of the company.

The directors restructured the operational activities of the company, moving its sales and operational teams to a new London office from February 2019. The costs associated with the move are reflected on the face of the Statement of Comprehensive Income.

Principal Risks and Uncertainties

The key business risks affecting the company are considered to be the impact of changes in the economic environment and changes to fashion trends which affects the demand for duffle coats, knitwear and casual outerwear and the ability to meet retailer demand for goods with the company's current manufacturing capabilities and variability of costs involved in the manufacturing process.

The current economic conditions create uncertainty particularly over the level of demand for the company's products. The company seeks to manage this risk by diversifying and updating its product ranges where possible.

Corporate and Social Responsibility

The company carries out regular risk assessments to guarantee the well being of staff and visitors, in accordance with Health and Safety legislation.

The company actively manages its reputation, and drives best practice, through the application of ethical sales and purchasing policies.

The company is an equal opportunities employer which promotes diversity and does not differentiate on gender, ethnicity, religion, sexual orientation or physical ability.

The company is committed to negating its impact on the environment.

Financial Risk Management Objectives and Policies

The company's activities expose it to a number of financial risks including credit risk, interest rate risk, currency risk and liquidity risk.

Gloverall PLC

Strategic Report *(continued)*

Year ended 31 December 2018

Credit risk

The company seek to manage its credit risk by dealing with established customers or otherwise checking the credit-worthiness of new customers, establishing clear contractual relationships with those customers and by identifying and addressing any credit issues arising in a timely manner.

Interest rate risk

The company exposure to market risk for the changes in interest rates relates primarily to its bank borrowings. The company seeks to manage this risk by the use of a combination of variable and fixed rates.

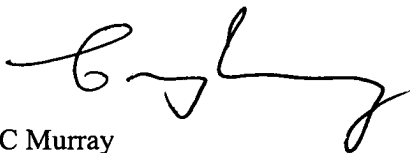
Currency risk

The company minimises its risk to foreign currency fluctuations by invoicing and purchasing in sterling where possible and where not by balancing as far as possible sales and purchases in matching foreign currency.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs. Short-term flexibility is achieved by overdraft facilities and borrowings from out parent undertaking. This will give the company the necessary financial backing to carry out its intended plans and properly financier the ongoing operations of the business.

This report was approved by the board of directors on 19th June 2019 and signed on behalf of the board by:



C Murray
Director

Registered office:
Baron Avenue
Earls Barton
Northampton
Northamptonshire
NN6 0JE

Gloverall PLC

Directors' Report

Year ended 31 December 2018

The directors present their report and the financial statements of the company for the year ended 31 December 2018.

Directors

The directors who served the company during the year were as follows:

I K Kim	
S H Kim	
R S Batth	(Appointed 1 October 2018)
C Murray	(Appointed 1 October 2018)
Y J Kim	(Resigned 1 October 2018)

Dividends

The directors do not recommend the payment of a dividend.

Disclosure of information in the strategic report

The company has chosen to set out in the strategic report information about the future developments of the company and the financial instruments.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 judgments 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 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Gloverall PLC

Directors' Report *(continued)*

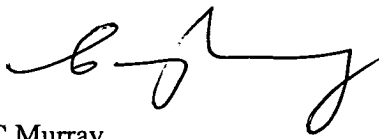
Year ended 31 December 2018

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all 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.

This report was approved by the board of directors on 19th June 2019 and signed on behalf of the board by:



C Murray
Director

Registered office:
Baron Avenue
Earls Barton
Northampton
Northamptonshire
NN6 0JE

Gloverall PLC

Independent Auditor's Report to the Members of Gloverall PLC

Year ended 31 December 2018

Opinion

We have audited the financial statements of Gloverall PLC (the 'company') for the year ended 31 December 2018 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Gloverall PLC

Independent Auditor's Report to the Members of Gloverall PLC *(continued)*

Year ended 31 December 2018

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Gloverall PLC

Independent Auditor's Report to the Members of Gloverall PLC *(continued)*

Year ended 31 December 2018

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

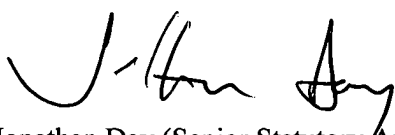
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.



Jonathan Day (Senior Statutory Auditor)

For and on behalf of
Streets Audit LLP
Chartered Accountants & statutory auditor
Enterprise House
38 Tyndall Court
Commerce Road
Lynch Wood
Peterborough
Cambridgeshire
PE2 6LR

26 June 2019.

Gloverall PLC
Statement of Comprehensive Income
Year ended 31 December 2018

		2018			2017		
	Note	Continuing operations £	Discont'd operations £	Total £	Continuing operations £	Discont'd operations £	Total £
Turnover	4	2,960,055	–	2,960,055	2,522,809	386,633	2,909,442
Cost of sales		1,488,167	–	1,488,167	1,140,248	462,671	1,602,919
Gross profit		1,471,888	–	1,471,888	1,382,561	(76,038)	1,306,523
Distribution costs		505,557	–	505,557	286,643	73,663	360,306
Administrative expenses		1,298,628	–	1,298,628	1,393,957	614,171	2,008,128
Restructuring costs		61,581	–	61,581	–	–	–
Operating loss	5	(393,878)	–	(393,878)	(298,039)	(763,872)	(1,061,911)
Interest payable and similar expenses	9	153,285	–	153,285	142,945	25,700	168,645
Loss before taxation		(547,163)	–	(547,163)	(440,984)	(789,572)	(1,230,556)
Tax on loss	10	–	–	–	–	–	–
Loss for the financial year and total comprehensive income		<u>(547,163)</u>	<u>–</u>	<u>(547,163)</u>	<u>(440,984)</u>	<u>(789,572)</u>	<u>(1,230,556)</u>

The notes on pages 12 to 20 form part of these financial statements.

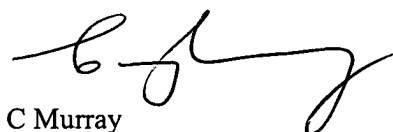
Gloverall PLC

Statement of Financial Position

31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	11	44,419	28,587
Current assets			
Stocks	12	1,328,858	1,530,504
Debtors	13	916,544	409,453
Cash at bank and in hand		7,169	158,713
		<u>2,252,571</u>	<u>2,098,670</u>
Creditors: amounts falling due within one year	14	<u>2,656,373</u>	<u>1,938,528</u>
Net current (liabilities)/assets		<u>(403,802)</u>	<u>160,142</u>
Total assets less current liabilities		<u>(359,383)</u>	<u>188,729</u>
Creditors: amounts falling due after more than one year	15	<u>1,389,474</u>	<u>1,390,423</u>
Net liabilities		<u>(1,748,857)</u>	<u>(1,201,694)</u>
Capital and reserves			
Called up share capital	18	14,446,639	14,446,639
Share premium account	19	9,000	9,000
Profit and loss account	19	<u>(16,204,496)</u>	<u>(15,657,333)</u>
Shareholders deficit		<u>(1,748,857)</u>	<u>(1,201,694)</u>

These financial statements were approved by the board of directors and authorised for issue on 17th June 2019, and are signed on behalf of the board by:



C Murray
Director

Company registration number: 00494649

The notes on pages 12 to 20 form part of these financial statements.

Gloverall PLC

Statement of Changes in Equity

Year ended 31 December 2018

	Called up share capital £	Share premium account £	Profit and loss account £	Total £
At 1 January 2017	10,699,481	9,000	(14,426,777)	(3,718,296)
Loss for the year			(1,230,556)	(1,230,556)
Total comprehensive income for the year	–	–	(1,230,556)	(1,230,556)
Issue of shares	3,747,158	–	–	3,747,158
Total investments by and distributions to owners	3,747,158	–	–	3,747,158
At 31 December 2017	14,446,639	9,000	(15,657,333)	(1,201,694)
Loss for the year			(547,163)	(547,163)
Total comprehensive income for the year	–	–	(547,163)	(547,163)
At 31 December 2018	<u>14,446,639</u>	<u>9,000</u>	<u>(16,204,496)</u>	<u>(1,748,857)</u>

The notes on pages 12 to 20 form part of these financial statements.

Gloverall PLC

Notes to the Financial Statements

Year ended 31 December 2018

1. General information

Gloverall Plc is a company incorporated in England and Wales under the Companies Act. The address of the registered office is Baron Avenue, Earls Barton, Northampton, Northants, NN6 0JE. The principal activity of the company was the wholesale distribution of duffle coats, knitwear and casual outerwear.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

Going concern

The directors have prepared the financial statements on a going concern basis. As part of their going concern review, the directors have considered the liabilities of the company and have received group financial support and confirmation that this will continue for a period of at least 12 months from the date of signing and approving the financial statements. The directors have a reasonable expectation that the company will be able to meet its liabilities as they fall due for the foreseeable future and that the company will continue in operational existence.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of ELand World Limited. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) Disclosures in respect of share-based payments have not been presented.
- (e) No disclosure has been given for the aggregate remuneration of key management personnel.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Gloverall PLC

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty *(continued)*

Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Depreciation

Tangible assets are recognised at cost, less accumulated depreciation and impairments. Depreciation take place over the estimated useful life, down to the assets residual value. The carrying amount of the company's fixed assets is tested as soon as changed conditions show that a need for impairment has arisen.

Stock obsolescence provision

The company's stock values have been assessed at the reporting date for slow moving stock whereby the future value of the stock may be reduced below current valuations due to stock obsolescence. An allowance has therefore been made for slow moving stock in the accounts by creating a reserve against stock values.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome.

There are no material balances in the financial statements which involve a significant degree of estimation by management. As such no key sources of estimation uncertainty are disclosed.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax.

Gloverall PLC

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

3. Accounting policies *(continued)*

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all material timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to profit and loss.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	- 25% straight line
Motor vehicles	- 25% straight line
Equipment	- 25% straight line

Gloverall PLC

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

3. Accounting policies *(continued)*

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Defined contribution pension plans

Contributions to defined contribution pension plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

4. Turnover

Turnover arises from:

	2018 £	2017 £
Sale of goods	<u>2,960,055</u>	<u>2,909,442</u>

The turnover is attributable to the one principal activity of the company. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2018 £	2017 £
United Kingdom	1,184,246	1,290,160
Overseas	<u>1,775,809</u>	<u>1,619,282</u>
	<u>2,960,055</u>	<u>2,909,442</u>

Gloverall PLC

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

5. Operating profit

Operating profit or loss is stated after charging:

	2018	2017
	£	£
Depreciation of tangible assets	15,417	36,048
Loss on disposal of tangible assets	3,711	228,349
Impairment of trade debtors	1,132	101,300
Foreign exchange differences	105,129	60,465
Operating lease rentals	<u>77,785</u>	<u>83,821</u>

6. Auditor's remuneration

	2018	2017
	£	£
Fees payable for the audit of the financial statements	<u>8,400</u>	<u>8,250</u>
Fees payable to the company's auditor and its associates for other services:		
Taxation compliance services	<u>2,100</u>	<u>2,000</u>

7. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2018	2017
	No.	No.
Production staff	6	8
Administrative staff	5	7
Management staff	<u>9</u>	<u>7</u>
	<u>20</u>	<u>22</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2018	2017
	£	£
Wages and salaries	636,538	989,383
Social security costs	88,800	83,631
Other pension costs	<u>8,940</u>	<u>3,690</u>
	<u>734,278</u>	<u>1,076,704</u>

8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2018	2017
	£	£
Remuneration	<u>248,069</u>	<u>209,733</u>

Gloverall PLC

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

8. Directors' remuneration *(continued)*

Remuneration of the highest paid director in respect of qualifying services:

	2018	2017
	£	£
Aggregate remuneration	<u>223,069</u>	<u>209,733</u>

9. Interest payable and similar expenses

	2018	2017
	£	£
Interest on banks loans and overdrafts	51,046	60,320
Interest due to group undertakings	<u>102,239</u>	<u>108,325</u>
	<u>153,285</u>	<u>168,645</u>

10. Tax on loss

Reconciliation of tax income

The tax assessed on the loss on ordinary activities for the year is higher than (2017: higher than) the standard rate of corporation tax in the UK of 19% (2017: 19.25%).

	2018	2017
	£	£
Loss on ordinary activities before taxation	<u>(547,163)</u>	<u>(1,230,556)</u>
Loss on ordinary activities by rate of tax	(103,961)	(236,882)
Effect of expenses not deductible for tax purposes	379	688
Effect of capital allowances and depreciation	5,421	31,277
Deferred tax not recognised on losses, capital allowances and short term differences	<u>98,161</u>	<u>204,917</u>
Tax on loss	<u>—</u>	<u>—</u>

As at the year end date the company had unprovided deferred tax asset of £2,131,243 (2017 £2,170,058) as a result of tax losses carried forward.

Gloverall PLC

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

11. Tangible assets

	Plant and machinery £	Motor vehicles £	Equipment £	Total £
Cost				
At 1 January 2018	25,116	8,695	298,538	332,349
Additions	–	17,295	17,665	34,960
Disposals	–	(8,695)	(124,268)	(132,963)
At 31 December 2018	25,116	17,295	191,935	234,346
Depreciation				
At 1 January 2018	23,805	8,695	271,262	303,762
Charge for the year	1,077	2,882	11,458	15,417
Disposals	–	(8,695)	(120,557)	(129,252)
At 31 December 2018	24,882	2,882	162,163	189,927
Carrying amount				
At 31 December 2018	234	14,413	29,772	44,419
At 31 December 2017	1,311	–	27,276	28,587

12. Stocks

	2018 £	2017 £
Raw materials and consumables	681,453	905,992
Finished goods and goods for resale	647,405	624,512
	1,328,858	1,530,504

13. Debtors

	2018 £	2017 £
Trade debtors	662,842	211,609
Amounts owed by group undertakings	–	5,573
Prepayments and accrued income	231,420	192,271
Other debtors	22,282	–
	916,544	409,453

Gloverall PLC

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

14. Creditors: amounts falling due within one year

	2018	2017
	£	£
Bank loans and overdrafts	1,440,777	1,448,640
Trade creditors	143,395	149,440
Amounts owed to group undertakings	934,177	267,995
Accruals and deferred income	108,423	46,962
Social security and other taxes	29,601	25,491
	<u>2,656,373</u>	<u>1,938,528</u>

The bank overdraft is secured by a stand-by letter of credit for £1,500,000 provided by ELand World Limited and a charge over the assets of the company. The facility incurs an interest rate based on 1 month LIBOR plus 2.9% and is renewed annually on 9 March. The bank also has security against all assets of the company.

15. Creditors: amounts falling due after more than one year

	2018	2017
	£	£
Amounts owed to group undertakings	<u>1,389,474</u>	<u>1,390,423</u>

16. Unprovided deferred tax

The company has unprovided deferred tax asset of £2,267,587 (2017 - £2,159,641) in relation to losses available for offsetting against future trade and £29,359 (2017 - £34,210) in relation to timing differences.

17. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £8,940 (2017: £3,690).

18. Called up share capital

Issued, called up and fully paid

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	<u>14,446,639</u>	<u>14,446,639.00</u>	<u>14,446,639</u>	<u>14,446,639.00</u>

Gloverall PLC

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

19. Reserves

Share premium account - this reserve records the amount above the nominal value received for shares sold, less transaction costs.

Profit and loss account - this reserve records retained earnings and accumulated losses.

20. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2018	2017
	£	£
Not later than 1 year	73,467	81,545
Later than 1 year and not later than 5 years	344,669	113,051
	<u>418,136</u>	<u>194,596</u>

21. Related party transactions

The company has taken advantage of the exemption available under section 33 of FRS102 relating to the disclosure of related party transactions with other members of the ELand World Limited group.

22. Parent company

The directors regard ELand World Limited, which is incorporated in Korea, as the ultimate parent undertaking of Gloverall PLC. The group financial statements of this company are publicly available and can be obtained from the company's registered office. The group's controlling party is Song Park.

The immediate parent undertaking is Euro E-Land Company Plc. The financial statements for this company can be obtained from Companies House.

