

I.D.C. (Holdings) Limited

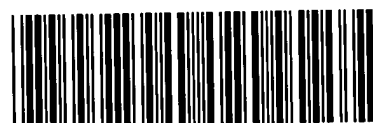
Report and Financial Statements

Year Ended

31 October 2017

Company Number: 00499824

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I.D.C. (Holdings) Limited

Report and Financial Statements for the year ended 31 October 2017

Contents

Page:

1	Directors' report
2	Statement of directors' responsibilities
3	Independent auditor's report
6	Statement of comprehensive income
7	Balance sheet
8	Statement of changes in equity
9	Statement of cash flows
10	Notes forming part of the financial statements

Directors

G C M Leggett
S C Taylor

Secretary and registered office

G C M Leggett, 86 Hatton Garden, London, EC1N 8QQ

Company number

00499824

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

I.D.C. (Holdings) Limited

Directors' Report for the year ended 31 October 2017

Directors

The directors of the Company during the year were:

J V Lunzer – Deceased 18 December 2016
G C M Leggett
S C Taylor

Dividends

Interim dividends were paid during the year amounting to £675,000 (2016 - £nil). There were no dividends proposed at the reporting date (2016 - £nil) and no final dividend will be paid.

Principal activities and future developments

The Company's principal activity is the dealing in and distribution of industrial quality diamonds, the directors do not foresee the nature of the Company's business changing in the near future.

Charitable donations and political contributions

During the year the Company made charitable donations of £Nil (2016 - £Nil). There were no political contributions made in either year.

Post balance sheet events

Material post balance sheet events are disclosed in note 21 of the financial statements.

Auditors

All of the directors as at the date of this report have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the Company's auditor is unaware.

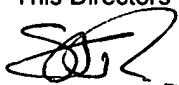
BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

This report has been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

Approval

25 April 2018

This Directors' Report was approved by order of the Board on



S C Taylor
Director

I.D.C. (Holdings) Limited

Statement of directors' responsibilities

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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.

I.D.C. (Holdings) Limited

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF I.D.C. (HOLDINGS) LIMITED

Opinion

We have audited the financial statements of I.D.C. (Holdings) Limited ("the Company") for the year ended 31 October 2017 which comprise the statement of comprehensive income, balance sheet, statement of changes in equity, statement of cash flows and notes to the financial statements, 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 Financial Reporting Standard 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 October 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.

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.

I.D.C. (Holdings) Limited

Independent auditor's report (continued)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has 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 Director's 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; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

I.D.C. (Holdings) Limited

Independent auditor's report (continued)

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.

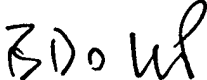
In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company 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 at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



Richard Levy (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London

25 APR 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

I.D.C. (Holdings) Limited

Statement of comprehensive income for the year ended 31 October 2017

	Note	2017 £	2016 £
Turnover	3	3,561,021	2,798,137
Cost of sales		(2,456,827)	(1,934,382)
Gross profit		1,104,194	863,755
Administrative expenses		(956,244)	(1,167,071)
Other operating income and expenditure	7	79,642	33,594
Operating profit/(loss)	4	227,592	(269,722)
Other interest receivable and similar income		6	-
Interest payable and similar charges		-	-
Other finance income/(costs)		11,717	(54,440)
Profit/(loss) on ordinary activities before taxation		239,315	(324,162)
Taxation on profit/(loss) on ordinary activities	8	143,415	-
Profit/(loss) for the financial year		382,730	(324,162)
Other Comprehensive Income			
Currency translation differences		(465,081)	1,258,063
Total comprehensive income for the year		(82,351)	933,901


The notes on page 10 to 20 form part of these financial statements.

I.D.C. (Holdings) Limited

Balance sheet at 31 October 2017

	Note	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	10		36,947		36,710
Investments	11		1,332		1,452
			<u>38,279</u>		<u>38,162</u>
Current assets					
Stocks	12	3,928,011		4,369,775	
Debtors	13	839,730		927,312	
Cash at bank and in hand		360,823		633,521	
		<u>5,128,564</u>		<u>5,930,608</u>	
Creditors: amounts falling due within one year	14	(116,134)		(160,710)	
Net current assets			<u>5,012,430</u>		<u>5,769,898</u>
Net assets			<u>5,050,709</u>		<u>5,808,060</u>
Capital and reserves					
Called up share capital	16		900,000		900,000
Capital redemption reserve	17		2,805,197		2,805,197
Profit and loss account	17		1,345,512		2,102,863
Total capital and reserves			<u>5,050,709</u>		<u>5,808,060</u>

The financial statements were approved by the Board of Directors and authorised for issue on 25 APR 2018.



S C Taylor
Director

I.D.C. (Holdings) Limited registered number 00499824

The notes on page 10 to 20 form part of these financial statements.

I.D.C. (Holdings) Limited

Statement of changes in equity For the year ended 31 October 2017

	Share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
1 November 2015	900,000	2,805,197	1,168,962	4,874,159
Comprehensive income for the year				
Loss for the year	-	-	(324,162)	(324,162)
Currency translation differences	-	-	1,258,063	1,258,063
Other comprehensive income for the year	-	-	1,258,063	1,258,063
Total comprehensive income for the year	-	-	933,901	933,901
31 October 2016	900,000	2,805,197	2,102,863	5,808,060
Comprehensive income for the year				
Profit for the year	-	-	382,730	382,730
Currency translation differences	-	-	(465,081)	(465,081)
Other comprehensive income for the year	-	-	(465,081)	(465,081)
Total comprehensive income for the year	-	-	(82,351)	(82,351)
Transactions with owners:				
Dividends paid (note 9)	-	-	(675,000)	(675,000)
Total transactions with owners	-	-	(675,000)	(675,000)
31 October 2017	900,000	2,805,197	1,345,512	5,050,709

The notes on page 10 to 20 form part of these financial statements.

I.D.C. (Holdings) Limited

Statement of cash flows for the year ended 31 October 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Profit/(loss) for the financial year		382,730	(324,162)
Adjustments for:			
Depreciation and amortisation of fixed assets	10	5,097	12,469
Loss on disposal of fixed assets	7	-	8,822
Interest receivable		(6)	-
Impairment of stock	12	95,639	60,653
Deferred tax	8	(143,415)	-
Decrease/(increase) in trade and other debtors		180,120	(269,490)
(Increase)/Decrease in stocks		(50,839)	662,441
(Decrease)/increase in trade and other creditors		(49,450)	90,814
Net cash generated from operating activities		419,876	241,547
Cash flows from investing activities			
Purchases of tangible fixed assets	10	(8,240)	(4,217)
Interest received		6	-
Proceeds on disposal of tangible fixed assets		-	11,887
Net cash (used in)/generated from investing activities		(8,234)	7,670
Net cash from financing activities			
Dividends paid on ordinary shares	9	(675,000)	-
Net cash used in financing activities		(675,000)	-
Net (decrease)/increase in cash and cash equivalents		(263,358)	249,217
Cash and cash equivalents at beginning of year		633,521	368,721
Foreign exchange (gain)/loss		(9,340)	15,583
Cash and cash equivalents at end of year		360,823	633,521

The notes on page 10 to 20 form part of these financial statements.

I.D.C. (Holdings) Limited

Notes forming part of the financial statements for the year ended 31 October 2017

1 Accounting policies

I.D.C. (Holdings) Limited is a private limited company incorporated in England and Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the company's operations and its principal activities are set out in the directors' report.

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102 the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Company management to exercise judgement in applying the Company's accounting policies.

The following principal accounting policies have been applied:

Revenue

Revenue from the sales of goods is recognised when the Company has transferred the significant risks and rewards of ownership to the buyer and it is probable that the Company will receive the previously agreed upon payment. These criteria are considered to be met when the goods are delivered to the buyer. Where the buyer has a right of return, the Company defers recognition of revenue until the right to return has lapsed.

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation

Depreciation on assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the methods and useful lives set out below:

Plant and machinery	-	10% to 25% per annum straight line
Motor vehicles	-	33% on reducing balance
Fixtures, fittings and equipment	-	20% on reducing balance or 10-25% per annum straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income and expenditure' in the statement of comprehensive income.

I.D.C. (Holdings) Limited

Notes forming part of the financial statements for the year ended 31 October 2017 (continued)

1 Accounting policies (continued)

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Impairment of fixed assets

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Stocks

Stocks are stated at the lower of cost and net realisable value being the estimated selling price less costs to complete and sell. For the majority of the components of stock, cost is based on the cost of purchase on a first in, first out basis. However, there are some components of stock where, due to practical considerations and the nature of the stock item, average costing is used as this is considered to more accurately reflect the cost of goods sold. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). Management consider the US Dollar ("USD" or "US\$") to be the functional currency as the Company makes most of its sales and purchases of goods in US Dollars.

The financial statements are presented in British Pounds (Sterling, "£" or "GBP"), which is the Company's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the Company's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

All assets and liabilities are converted from the functional currency to the presentation currency at the closing date for each balance sheet presented. Income and expenses within the combined statement of comprehensive income are translated at exchange rates prevailing at the date of the transaction. All resulting exchange differences are recognised as currency translation differences within other comprehensive income.

Foreign exchange gains and losses (other than those relating to cash and cash equivalents) are presented in profit or loss within 'other operating income and expenditure'.

I.D.C. (Holdings) Limited

Notes forming part of the financial statements for the year ended 31 October 2017 (*continued*)

1 Accounting policies (*continued*)

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the United Kingdom.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits, and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Leased assets: Lessee

The Company has entered into operating leases with annual rentals being charged to profit or loss on a straight-line basis over the term of the lease.

Pension costs

Contributions to the Company's defined contribution pension scheme are charged to profit or loss in the year in which they become payable.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

I.D.C. (Holdings) Limited

Notes forming part of the financial statements
for the year ended 31 October 2017 (continued)

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determining whether there are indicators of impairment of the Company's stock of industrial diamonds. Factors taken into consideration in reaching such a decision include expected sales values, expected sales volumes by reference to recent trading patterns and the ability and cost of converting slow moving lines of stock into faster moving lines.
- Determining the recoverability of trade debtor assets. Factors taken into consideration by management include whether an amount is overdue and by how long and also the timing of previous payments by the relevant client.

3 Analysis of Turnover

Turnover is wholly attributable to the principal activity of the Company. The analysis of turnover by geographical market required by paragraph 68 of SI 2012 No 410 has not been provided as, in the opinion of the directors, such disclosure would be seriously prejudicial to the interest of the Company.

4 Operating profit/(loss)

	2017 £	2016 £
This is arrived at after charging/(crediting):		
Depreciation of tangible fixed assets (see note 10)	5,097	12,469
Fees payable to the Company's auditor for:		
Audit of annual accounts	19,400	16,510
Tax services	6,500	13,700
Other services	7,250	-
Exchange differences (see note 7)	(4,642)	29,584
Impairment of stock (see note 12)	95,639	60,653
Defined contribution pension cost (see note 5)	25,401	21,265
	<u> </u>	<u> </u>

5 Employees

	2017 £	2016 £
Staff costs (including directors) consist of:		
Wages and salaries	578,858	771,981
Social security costs	65,573	101,610
Cost of defined contribution scheme	25,401	21,265
Other staff benefits	11,460	25,139
	<u> </u>	<u> </u>
	681,292	919,995
	<u> </u>	<u> </u>

I.D.C. (Holdings) Limited

Notes forming part of the financial statements
for the year ended 31 October 2017 (continued)

5 Employees (continued)

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

	2017 Number	2016 Number
Buying and selling	2	2
Technical	3	3
Administration	4	4
Management	1	2
Domestic and maintenance	2	3
	<u>12</u>	<u>14</u>

The Company makes pension contributions to the personal pension schemes of certain employees. The pension charge represents contributions payable by the Company to those funds and amounted to £25,401 (2016 - £21,265). Contributions amounting to £1,066 (2016 - £1,176) were payable to the fund and are included in creditors.

6 Directors' remuneration

	2017 £	2016 £
Directors' emoluments	160,095	443,313
Company contributions to money purchase pension schemes	6,313	5,000
	<u>166,408</u>	<u>448,313</u>

Pension contributions were made to the private pension arrangements of one director during the year (2016 - one director).

Emoluments of the highest paid director were £126,106 (2016 - £341,193). Company pension contributions amounting to £6,313 were made on his behalf during the year (2016 - nil contributions made on behalf of the highest paid director).

7 Other operating income and expenditure

	2017 £	2016 £
Management fees received from related party	75,000	72,000
Foreign exchange gains/(losses) excluding those in respect of cash and cash equivalents	4,642	(29,584)
Loss on disposal of fixed assets	-	(8,822)
	<u>79,642</u>	<u>33,594</u>

I.D.C. (Holdings) Limited

Notes forming part of the financial statements
for the year ended 31 October 2017 (*continued*)

8 Taxation on profit/(loss) on ordinary activities

	2017 £	2017 £	2016 £	2016 £
<i>UK corporation tax</i>				
Current tax on profit/(loss) for the year		-		-
Adjustment in respect of previous periods		-		-
Total current tax		-		-
<i>Deferred tax</i>				
Origination and reversal of timing differences (see note 15)	(143,415)		-	
Changes to tax rates	-		-	
		(143,415)		-
Taxation (credit)/charge on profit/(loss) on ordinary activities		(143,415)		-

The tax assessed for the year is lower (2016: higher) than the standard rate of corporation tax in the UK applied to profit or loss before tax. The differences are explained below:

	2017 £	2016 £
Profit/(loss) on ordinary activities before tax	239,315	(324,162)
Tax on profit/(loss) on ordinary activities at the standard rate of corporation tax in the UK of 19% (2016 - 20%)	45,470	(64,832)
Effects of:		
Expenses not deductible for tax purposes	297	1,577
Difference between depreciation and capital allowances	(983)	448
Deferred tax (see note 15)	(143,415)	-
Unrealised tax (gains)/losses	(44,784)	62,807
Total tax (credit)/charge for period	(143,415)	-

I.D.C. (Holdings) Limited

Notes forming part of the financial statements
for the year ended 31 October 2017 (*continued*)

9 Dividends

	2017 £	2016 £
Interim dividends paid:		
First interim dividend of £0.3333 per share paid on 7 February 2017	300,000	-
Second interim dividend of £0.1667 per share paid on 14 June 2017	150,000	-
Third interim dividend of £0.2500 per share paid on 18 October 2017	225,000	-
	<hr/>	<hr/>
Total dividends paid in the year	675,000	-
	<hr/>	<hr/>

10 Tangible fixed assets

	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
<i>Cost</i>				
At 31 October 2016	267,034	769,850	-	1,036,884
Additions	7,473	767	-	8,240
Exchange adjustments	(22,086)	(63,604)	-	(85,690)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 October 2017	252,421	707,013	-	959,434
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 31 October 2016	263,568	736,606	-	1,000,174
Provision for year	1,183	3,914	-	5,097
Exchange adjustments	(21,801)	(60,983)	-	(82,784)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 October 2017	242,950	679,537	-	922,487
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 October 2017	9,471	27,476	-	36,947
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 October 2016	3,466	33,244	-	36,710
	<hr/>	<hr/>	<hr/>	<hr/>

I.D.C. (Holdings) Limited

Notes forming part of the financial statements
for the year ended 31 October 2017 (*continued*)

11 Fixed asset investments	£
<i>Cost</i>	
At 1 November 2015	1,150
Exchange adjustments	302
	<hr/>
At 31 October 2016	1,452
Exchange adjustments	(120)
	<hr/>
At 31 October 2017	<u>1,332</u>

The Company's subsidiary undertakings at the year end are as follows:

Name	Country of incorporation or registration	Proportion of voting rights and ordinary share capital held	Nature of business
Industrial Diamond Company Limited	England and Wales	100%	Dormant
Lunzers Limited	England and Wales	100%	Dormant

The aggregate amount of capital and reserves at each balance sheet date for the Industrial Diamond Company Limited was £100 and for Lunzers Limited was £1,990. The registered office address of both subsidiaries is 86 Hatton Garden, London, EC1N 8QQ.

12 Stocks	2017	2016
	£	£
Finished goods and goods for resale	<u>3,928,011</u>	<u>4,369,775</u>

At 31 October 2017, an impairment of the value of stock was recognised amounting to £95,639 (2016: £60,653). This was in relation to stock that was either slow-moving in nature or had become obsolete, this cost is included within cost of sales within the statement of comprehensive income.

I.D.C. (Holdings) Limited

Notes forming part of the financial statements
for the year ended 31 October 2017 (continued)

13 Debtors

	2017 £	2016 £
Trade debtors	624,175	783,374
Amounts owed by related company	1,485	36,015
Other debtors	6,760	43,316
Prepayments and accrued income	63,895	64,607
Deferred tax (see note 15)	143,415	-
	<u>839,730</u>	<u>927,312</u>

The deferred tax asset includes £95,000 (2016 - £nil) that is expected to be realised in greater than one year. Financial assets measured at amortised cost above comprise of trade debtors, amounts owed by related companies and other debtors.

The impairment loss recognised in profit or loss for the period in respect of bad and doubtful debtors was £14,101 (2016 - £1,877).

14 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	54,888	52,782
Amounts owed to subsidiary undertakings	2,090	2,090
Taxation and social security	16,779	48,746
Other creditors	1,590	7,998
Accruals and deferred income	40,787	49,094
	<u>116,134</u>	<u>160,710</u>

There is an undrawn bank overdraft facility which is secured by a floating charge over the assets of the Company and a charge over the property owned by a related company (see note 20).

Financial liabilities measured at amortised cost above comprise of trade creditors, amounts owed by subsidiary undertakings, other creditors and taxation and social security amounts due.

15 Deferred tax asset

	2017 £	2016 £
Deferred tax asset	<u>143,415</u>	<u>-</u>

The Company has recognised a deferred tax asset amounting to £143,415 at 31 October 2017 in respect of unrelieved tax losses in the United Kingdom when measured at a tax rate of 17%. The directors believe that recognition is now appropriate as they expect the Company to generate sufficient future taxable profits to offset in full against the previous losses. At 31 October 2016 the deferred tax asset related to unrelieved tax losses was not recognised due to uncertainty over the sufficiency of future taxable profits, the unrecognised amount was £204,857 when measured at a tax rate of 17%

I.D.C. (Holdings) Limited

Notes forming part of the financial statements
for the year ended 31 October 2017 (continued)

16 Share capital

	2017 £	2016 £
Authorised share capital		
Equity share capital		
2,500,000 ordinary shares of £1 each	2,500,000	2,500,000
Non-equity share capital		
5,699,850 5% convertible cumulative redeemable preference shares of S.Fr1 each	2,255,058	2,255,058
100,000 "A" ordinary non-voting shares of £1 each	100,000	100,000
Allotted, called up and fully paid		
Equity share capital		
900,000 ordinary shares of £1 each	900,000	900,000

17 Reserves

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

Capital redemption reserve

The capital redemption reserve is a non-distributable reserve and represents paid up share capital.

18 Contingent liabilities

The Company is party to an unlimited inter-company guarantee arrangement with Fairport (Investments) Limited in relation to the bank borrowings of that company. At 31 October 2017, the bank borrowings of Fairport (Investments) Limited were £nil (2016: £nil).

19 Commitments under operating leases

The Company had minimum lease payments under non-cancellable operating leases as set out below:

	2017 £	2016 £
Land and buildings		
Not later than 1 year	37,500	75,000
Later than 1 year and not later than 5 years	-	37,500
Later than 5 years	-	-
Total	37,500	112,500

I.D.C. (Holdings) Limited

Notes forming part of the financial statements
for the year ended 31 October 2017 (continued)

20 Related party disclosures

There is no ultimate controlling party of I.D.C. (Holdings) Limited.

The Company entered into the following transactions with related parties during the year:

- i) At 31 October 2017 trade debts of £1,278 (2016 - £1,393) were owed to the Company by Lunzer Technologies Inc., a company in which a director and major shareholder was the nephew of J V Lunzer until his death.
- ii) The Company is owed £1,485 by Fairport (Investments) Limited, a company that is related by virtue of common shareholders and directors, at 31 October 2017 (2016 - £36,015) (see note 13).
- iii) Fairport (Investments) Limited have provided land and buildings owned by itself as security for a third party legal charge on behalf of I.D.C. (Holdings) Limited (see note 14).
- iv) The Company leases premises from Fairport (Investments) Limited for an annual rental of £75,000 under a lease with final expiry on 30 April 2024 but with break clauses exercisable by either party on 30 April 2018 and 30 April 2021. During the year ended 31 October 2017 the Company paid rent to Fairport (Investments) Limited of £75,000 (2016 - £75,000). Under the agreement, service charges are also payable and in the year ended 31 October 2017 these amounted to £8,411 (2016 - £5,169).
- v) The Company is party to an unlimited inter-company guarantee arrangement with Fairport (Investments) Limited in relation to the bank borrowings of I.D.C. (Holdings) Limited.
- vi) The Company received £75,000 (2016 - £72,000) in property management fees from Fairport (Investments) Limited. These are disclosed in note 7 as other operating income.
- vii) The director, J V Lunzer, operated a director's loan account until his death when the debit balance of £3,874 was written off. The balance on this account was £nil at the balance sheet date (2016 - £6,782 due to JV Lunzer). These amounts are disclosed within other creditors in note 14.

The key management personnel of the Company comprise the members of the Board of Directors and further staff members involved in the management and operation of the Company. The key management compensation is as follows:

	2017 £	2016 £
Short-term employee benefits	313,891	599,965
Post-employment employee benefits	14,908	13,500
	<hr/>	<hr/>
Total key management compensation	328,799	613,465
	<hr/>	<hr/>

21 Post balance sheet events

There have been no events that have occurred after the balance sheet date that fall to be reported.