

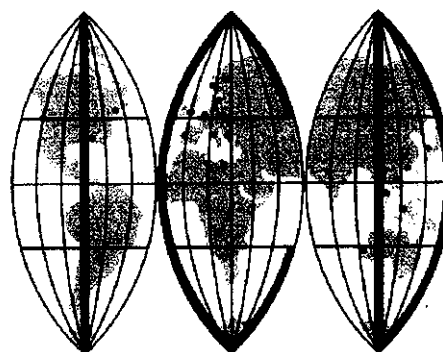


H. W. FISHER & COMPANY

INTERNATIONAL CLOTHING DESIGNS  
(HOLDINGS) LIMITED  
DIRECTORS' REPORT AND GROUP ACCOUNTS  
YEAR ENDED 31 JULY 1999

CHARTERED  
ACCOUNTANTS

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11-15 WILLIAM ROAD  
LONDON NW1 3ER  
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INTERNATIONAL  
CLOTHING DESIGNS

Company Registration No. 895642 (England and Wales)



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COMPANIES HOUSE

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28/01/00

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	R. Caring J. A. Macaulay C. D'Cruze
<b>Secretary</b>	J. A. Macaulay
<b>Company number</b>	895642
<b>Registered office</b>	26-28 Conway Street London W1P 5HW
<b>Business address</b>	26-28 Conway Street London W1P 5HW
<b>Auditors</b>	H.W. Fisher & Company Acre House 11-15 William Road London NW1 3ER
<b>Bankers</b>	HSBC Bank Plc PO Box 648 Poultry & Prince's Street London EC2P 2BX

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# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

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# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 1999

The directors present their report and group accounts for the year ended 31 July 1999.

### Principal activities

The principal activity of the company continues to be the sale and distribution of clothing and accessories.

### Review of business

The results showing growth in profits for the year are viewed by the Board of Directors as satisfactory.

The directors believe that the acquisition of Jeamland Limited and Trump Limited during the year will both enhance the groups future performance and strengthen market presence.

### Results and dividends

The group profit for the year after taxation and minority interests amounted to £1,139,849.

### Year 2000 compliance

The company's operations have not been significantly affected by malfunctions in computer or other equipment arising from errors in processing dates in the year 2000. The directors have considered whether there remains a risk that such problems may still arise. No part of the company's current operations are critically dependent on computer or other equipment which could be affected by year 2000 problems.

### Post balance sheet events

On 22 November 1999 the group purchased the trade and assets of Ronald Joyce (London) Limited. The trading activity acquired is that of the manufacture and distribution of ladies evening and bridal wear.

### Directors and their interests

The directors at 31 July 1999 and their beneficial interests in the shares of the company and other group companies were:

#### Ordinary shares of £ 1 each

	31 July 1999	1 August 1998
R. Caring	9,998	9,998
J. A. Macaulay	-	-
C. D'Cruze	-	-

#### Redeemable preference shares of £ 1 each

	31 July 1999	1 August 1998
R. Caring	1,655,000	1,655,000
J. A. Macaulay	-	-
C. D'Cruze	-	-

R. Caring was appointed as a director on 1 February 1999.

### Employee involvement

Within the bounds of commercial confidentiality, information is disseminated to all members of staff about matters that affect the progress of the group and are of interest and concern to them as employees.

### Disabled persons

Disabled persons are employed by the group when they appear to be suited to a particular position. The aptitude and abilities of disabled persons are more easily met in certain aspects of the group's business and every effort is made to ensure that they are given full and fair consideration.

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## DIRECTORS' REPORT


*FOR THE YEAR ENDED 31 JULY 1999*

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### Auditors

A resolution proposing the reappointment of H.W. Fisher & Company as auditors will be put to the members at the next Annual General Meeting.

On behalf of the Board



J. A. Macaulay

Director

Dated: 18 January 2000

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

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Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the group and of the profit or loss of the group for that period.

In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## AUDITORS' REPORT TO THE SHAREHOLDERS

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We have audited the accounts on pages 5 to 23 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

### Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

### Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's and the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

### Opinion

In our opinion the accounts give a true and fair view of the state of the company's and the group's affairs as at 31 July 1999 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



H.W. Fisher & Company

Chartered Accountants  
Registered Auditor  
Acre House  
11-15 William Road  
London  
NW1 3ER

Dated: 19 January 2000

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 1999

	Notes	1999 £	1998 £
<b>Turnover</b>			
Continuing operations		58,202,499	53,495,871
Acquisitions		24,374,805	-
	2	82,577,304	53,495,871
<b>Cost of sales</b>		(66,880,926)	(43,796,200)
<b>Gross profit</b>		15,696,378	9,699,671
Distribution costs		(358,605)	(89,722)
Administrative expenses		(13,366,352)	(8,692,659)
Other operating income		25,395	19,955
<b>Operating profit</b>	4		
Continuing operations		1,863,600	937,245
Acquisitions		133,216	-
		1,996,816	937,245
Other income	7	204,137	421,757
Interest payable and similar charges	8	(910,532)	(742,285)
<b>Profit on ordinary activities before taxation</b>		1,290,421	616,717
Tax on profit on ordinary activities	9	(93,109)	(58,375)
<b>Profit on ordinary activities after taxation</b>		1,197,312	558,342
Minority interests		(57,463)	(38,057)
<b>Profit for the financial year</b>	10	1,139,849	520,285
Retained losses brought forward		(336,085)	(858,526)
Currency translation differences		3,928	2,156
<b>Retained Profit/(losses) carried forward</b>		807,692	(336,085)

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



# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## BALANCE SHEETS AS AT 31 JULY 1999

	Notes	Group 1999 £	1998 £	Company 1999 £	1998 £
<b>Fixed assets</b>					
Intangible assets	11	1,977,034	1,718,157	-	-
Tangible assets	12	6,973,036	1,332,799	5,009,061	95,391
Investments	13	14,830	64,792	5,751,289	2,769,318
		<u>8,964,900</u>	<u>3,115,748</u>	<u>10,760,350</u>	<u>2,864,709</u>
<b>Current assets</b>					
Stocks	14	14,702,607	6,213,478	6,666,294	3,806,286
Debtors	15	11,314,577	9,405,924	5,348,638	6,129,613
Cash at bank and in hand		5,430,294	2,016,798	518,158	1,531,432
		<u>31,447,478</u>	<u>17,636,200</u>	<u>12,533,090</u>	<u>11,467,331</u>
<b>Creditors: amounts falling due within one year</b>	16	(30,847,443)	(18,092,543)	(14,804,004)	(11,492,524)
<b>Net current assets</b>		<u>600,035</u>	<u>(456,343)</u>	<u>(2,270,914)</u>	<u>(25,193)</u>
<b>Total assets less current liabilities</b>		<u>9,564,935</u>	<u>2,659,405</u>	<u>8,489,436</u>	<u>2,839,516</u>
<b>Creditors: amounts falling due after more than one year</b>	17	(3,945,638)	(1,052,495)	(3,810,407)	(990,000)
<b>Provisions for liabilities and charges</b>	18	(11,148)	-	-	-
		<u>5,608,149</u>	<u>1,606,910</u>	<u>4,679,029</u>	<u>1,849,516</u>
<b>Capital and reserves</b>					
Called up share capital	20	4,464,999	1,664,999	4,464,999	1,664,999
Profit and loss account		807,692	(336,085)	214,030	184,517
		<u>5,272,691</u>	<u>1,328,914</u>	<u>4,679,029</u>	<u>1,849,516</u>
<b>Minority interests</b>	21	335,458	277,996	-	-
		<u>5,608,149</u>	<u>1,606,910</u>	<u>4,679,029</u>	<u>1,849,516</u>
<b>Equity interests</b>		<u>1,153,149</u>	<u>(48,090)</u>	<u>224,029</u>	<u>194,516</u>
<b>Non-equity interests</b>		<u>4,455,000</u>	<u>1,655,000</u>	<u>4,455,000</u>	<u>1,655,000</u>
		<u>5,608,149</u>	<u>1,606,910</u>	<u>4,679,029</u>	<u>1,849,516</u>

The accounts were approved by the board on 18 January 2000

  
J. A. Macaulay  
Director

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 1999

	Notes	1999 £	1998 £
Net cash (outflow)/inflow from operating activities	23	(1,768,833)	6,064,211
<b>Returns on investments and servicing of finance</b>			
Interest received	204,137	317,004	
Interest paid	(900,321)	(734,000)	
Interest element of hire purchase and finance lease rentals	(10,211)	(8,285)	
Rent received	-	104,753	
<b>Net cash inflow/(outflow) from returns on investments and servicing of finance</b>		<b>(706,395)</b>	<b>(320,528)</b>
<b>Corporation tax</b>		<b>(35,694)</b>	<b>(74,216)</b>
<b>Capital expenditure and financial investment</b>			
Payments to acquire tangible fixed assets	(5,958,672)	(382,078)	
Payments to acquire investments	-	(4,679)	
Receipts from sales of tangible fixed assets	188,697	40,678	
Receipts from sales of investments	25,974	-	
<b>Net cash (outflow)/inflow from capital expenditure and financial investment</b>		<b>(5,744,001)</b>	<b>(346,079)</b>
<b>Acquisitions and disposals</b>			
Purchase of subsidiary undertakings	(3,031,971)	-	
Net cash acquired	266,057	-	
<b>Net cash outflow on acquisitions and disposals</b>		<b>(2,765,914)</b>	<b>-</b>
<b>Net cash (outflow)/inflow before financing</b>		<b>(11,020,837)</b>	<b>5,323,388</b>
<b>Financing</b>			
Issue of preference share capital	2,800,000	-	
Repayment of long term bank loan	(165,000)	(500,000)	
New long term bank loan	3,300,000	-	
Capital element of hire purchase and finance lease rentals	(70,118)	(82,120)	
<b>Net cash inflow from financing</b>		<b>5,864,882</b>	<b>(582,120)</b>
<b>(Decrease)/increase in cash</b>	24	<b>(5,155,955)</b>	<b>4,741,267</b>

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 1999

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### 1 Accounting policies

#### 1.1 Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

#### 1.2 Basis of consolidation

The consolidated profit and loss account and balance sheet include the accounts of the company and its subsidiary undertakings made up to 31 July 1999. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from, the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

#### 1.3 Turnover

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

#### 1.4 Goodwill

Goodwill arising on acquisitions made after 1 August 1993 is amortised on a straight line basis over its expected useful economic life of 10 years. Goodwill on previous acquisitions is amortised over 15 years.

#### 1.5 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

#### 1.6 Tangible fixed assets and depreciation

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

Freehold land is not depreciated

Freehold buildings	2% Straight line
Leasehold property	Over the period of the lease
Plant and machinery	25% Reducing balance and 25% - 33% straight line
Fixtures, fittings & equipment	25% Reducing balance and 25% - 33% straight line
Motor vehicles	25% Reducing balance and 33% straight line

#### 1.7 Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are treated as if they had been purchased outright at the present value of the rentals payable, less finance charges, over the primary period of the agreements. The corresponding obligations under these agreements are included in creditors. The finance element of the rentals payable is charged to the profit and loss account so as to produce a constant rate of charge on the outstanding balance in each period.

Rental payments under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

#### 1.8 Investments

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

#### 1.9 Stock

Work in progress is stated at the lower of cost and net realisable value. Cost includes an appropriate proportion of manufacturing overheads.

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

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 1999

### 1.10 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

### 1.11 Foreign currency translation

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

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are taken to profit and loss account.

Profits and losses of overseas subsidiaries and associated companies are translated into sterling at the closing rate of exchange at the year end. Assets and liabilities in foreign currencies are translated at the year end rates. Exchange differences on the opening net assets and results for the year are dealt with through reserves.

### 1.12 Design expenditure

Expenditure on new designs is written off in the year in which it is incurred.

## 2 Turnover

The total turnover of the group for the year has been derived from its principal activity.

### Segmental analysis by geographical area

The analysis by geographical area of the group's turnover is set out as below:

	1999	1998
	£	£
Geographical segment		
United Kingdom	76,922,761	46,213,990
Rest of Europe	136,260	464,747
Rest of World	5,518,283	6,817,134
	<u>82,577,304</u>	<u>53,495,871</u>

## 3 Cost of sales and net operating expenses

The total figures for continuing operations in 1999 include the following amounts relating to acquisitions: cost of sales £19,819,737, distribution costs £357,868, administrative expenses £4,063,984 and other operating income £nil.

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 1999

<b>4</b>	<b>Operating profit</b>	<b>1999</b>	<b>1998</b>
		<b>£</b>	<b>£</b>
	Operating profit is stated after charging:		
	Amortisation of intangible assets	313,550	256,307
	Depreciation of owned tangible assets	553,536	335,164
	Depreciation of tangible fixed assets held under finance leases and hire purchase contracts	67,472	35,443
	Operating lease rentals		
	- Plant and machinery	16,832	9,948
	- Other assets	556,882	304,876
	Auditors' remuneration (company £11,750; 1998 : £15,750)	84,647	66,603
	Remuneration of auditors for non-audit work	85,059	41,672
	and after crediting:		
	Rents receivable	25,395	19,955
		<u>          </u>	<u>          </u>
<b>5</b>	<b>Directors' emoluments</b>	<b>1999</b>	<b>1998</b>
		<b>£</b>	<b>£</b>
	Aggregate emoluments	142,660	141,529
		<u>          </u>	<u>          </u>
<b>6</b>	<b>Employees</b>		
	<b>Number of employees</b>		
	The average weekly number of employees during the year was:		
		<b>1999</b>	<b>1998</b>
		<b>Number</b>	<b>Number</b>
	Selling, distribution and administration	329	175
		<u>          </u>	<u>          </u>
	<b>Employment costs</b>		
		<b>£</b>	<b>£</b>
	Wages and salaries	8,403,431	5,641,767
	Social security costs	831,914	417,816
	Other pension costs	55,838	49,610
		<u>          </u>	<u>          </u>
		9,291,183	6,109,193
		<u>          </u>	<u>          </u>
<b>7</b>	<b>Other income</b>	<b>1999</b>	<b>1998</b>
		<b>£</b>	<b>£</b>
	Interest receivable and similar income	204,137	421,757
		<u>          </u>	<u>          </u>

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 1999

<b>8</b>	<b>Interest payable and similar charges</b>	<b>1999</b>	<b>1998</b>
		£	£
	Interest payable on:		
	Bank loans and overdrafts	821,569	700,087
	Other loans	78,752	33,913
	Finance lease and hire purchase contracts	10,211	8,285
		<u>910,532</u>	<u>742,285</u>
<b>9</b>	<b>Taxation</b>	<b>1999</b>	<b>1998</b>
		£	£
	U.K. current year taxation		
	U.K. corporation tax at 30% (1998 - 31%)	92,000	32,113
	Overseas tax at 16%	(5,787)	26,262
		<u>86,213</u>	<u>58,375</u>
	Prior years		
	U.K. Corporation tax	6,896	-
		<u>93,109</u>	<u>58,375</u>

### 10 Profit/(loss) for the financial year

As permitted by section 230 of the Companies Act 1985, the holding company's profit and loss account has not been included in these accounts. The profit/(loss) for the financial year is made up as follows:

	<b>1999</b>	<b>1998</b>
	£	£
Holding company's profit/(loss) for the financial year before provision against inter-company balances	29,513	(29,686)

Additionally £- (1998: £399,982) was provided against inter-company balances.

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 1999

### 11 Intangible fixed assets Group

	Goodwill £	Trade Marks £	Total £
<b>Cost</b>			
At 1 August 1998	3,000,158	36,625	3,036,783
Additions	572,427	-	572,427
At 31 July 1999	3,572,585	36,625	3,609,210
<b>Amortisation</b>			
At 1 August 1998	1,293,638	24,988	1,318,626
Charge for year	311,887	1,663	313,550
At 31 July 1999	1,605,525	26,651	1,632,176
<b>Net book value</b>			
At 31 July 1999	1,967,060	9,974	1,977,034
At 31 July 1998	1,706,520	11,637	1,718,157

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 1999

### 12 Tangible fixed assets Group

	Land and buildings	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 August 1998	832,028	649,102	636,114	469,721	2,586,965
Additions	4,739,549	701,824	656,070	317,610	6,415,053
Disposals	(13,410)	(4,932)	(31,945)	(216,494)	(266,781)
<b>At 31 July 1999</b>	<b>5,558,167</b>	<b>1,345,994</b>	<b>1,260,239</b>	<b>570,837</b>	<b>8,735,237</b>
<b>Depreciation</b>					
At 1 August 1998	287,546	403,214	381,975	181,431	1,254,166
On disposals	-	(4,700)	(14,349)	(93,924)	(112,973)
Charge for the year	116,590	224,628	180,914	98,876	621,008
<b>At 31 July 1999</b>	<b>404,136</b>	<b>623,142</b>	<b>548,540</b>	<b>186,383</b>	<b>1,762,201</b>
<b>Net book value</b>					
<b>At 31 July 1999</b>	<b>5,154,031</b>	<b>722,852</b>	<b>711,699</b>	<b>384,454</b>	<b>6,973,036</b>
At 31 July 1998	544,482	245,888	254,139	288,290	1,332,799

The net book value of land and buildings comprises:

	1999	1998
	£	£
Freeholds	4,559,755	-
Short leaseholds (under 50 years)	594,276	544,482
	<b>5,154,031</b>	<b>544,482</b>

#### Finance leases and hire purchase contracts

The net book value of tangible fixed assets includes an amount of £242,203 (1998 - £145,235) in respect of assets held under finance leases or hire purchase contracts.

There were no commitments for capital expenditure either authorised or contracted for at the balance sheet date.

Included in plant and machinery are £118,722 of assets under the course of construction. No depreciation has been charged on these assets.



# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 1999

Company	Freehold land and buildings	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 August 1998	-	63,202	7,185	95,455	165,842
Additions	4,589,990	158,040	247,932	102,953	5,098,915
Disposals	-	-	-	(95,455)	(95,455)
<b>At 31 July 1999</b>	<b>4,589,990</b>	<b>221,242</b>	<b>255,117</b>	<b>102,953</b>	<b>5,169,302</b>
<b>Depreciation</b>					
At 1 August 1998	-	49,116	5,018	16,317	70,451
On disposals	-	-	-	(21,165)	(21,165)
Charge for the year	30,235	45,726	16,370	18,624	110,955
<b>At 31 July 1999</b>	<b>30,235</b>	<b>94,842</b>	<b>21,388</b>	<b>13,776</b>	<b>160,241</b>
<b>Net book value</b>					
At 31 July 1999	4,559,755	126,400	233,729	89,177	5,009,061
At 31 July 1998	-	14,086	2,167	79,138	95,391

### Finance leases and hire purchase contracts

The net book value of tangible fixed assets includes an amount of £30,019 (1998 - £-) in respect of assets held under finance leases or hire purchase contracts.

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 1999

### 13 Fixed asset investments

#### Group

	Unlisted Investments £
Cost	
At 1 August 1998	64,892
Additions	38
At 31 July 1999	64,930
Provisions for diminution in value	
At 1 August 1998	100
Charge for the year	50,000
At 31 July 1999	50,100
Net book value	
At 31 July 1999	14,830
At 31 July 1998	64,792

#### Company

	Shares and loans in subsidiary undertakings £
Cost	
At 1 August 1998	2,769,418
Additions	3,031,971
At 31 July 1999	5,801,389
Provisions for impairment in value	
At 1 August 1998	100
Charge for the year	50,000
At 31 July 1999	50,100
Net book value	
At 31 July 1999	5,751,289
At 31 July 1998	2,769,318

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 1999

### Holdings of more than 20%

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

Company	Principal activity	Country of registration or incorporation	Shares held	
Subsidiary undertakings			Class	%
The Associated Clothing Company Limited	Clothing	England	Ordinary	75
The Associated Clothing Company (HK) Ltd	Clothing	Hong Kong	Ordinary	75
Baby Face Limited	Dormant	England	Ordinary	75
Bi-Axident Limited	Dormant	England	Ordinary	76
Farbex Limited	Non trading	England	Ordinary	76
Garment Care Processing Services Limited	Clothing processing	England	Ordinary	100
Helium Limited	Clothing	England	Ordinary	100
Milmans (One) Limited	Dormant	England	Ordinary	100
Melmart of London Limited	Property	England	Ordinary	100
The Nashville Corporation Limited	Clothing	England	Ordinary	100
Jeamland Limited	Clothing	England	Ordinary	100
Trump Limited	Clothing	England	Ordinary	100
Pamplemousse Limited	Clothing	England	Ordinary	100
NV Productions Limited	Non-trading	England	Ordinary	100
Tapestry Design Limited	Clothing	England	Ordinary	100
Urban Tribe Limited	Non trading	England	Ordinary	100

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 1999

### Acquisitions

The company acquired 100% of the issued share capital of the Jeamland Limited and Trump Limited on 12 October 1998.

	Jeamland Limited £	Trump Limited £	Total £
Net book value and fair value of tangible fixed assets acquired	315,917	53,553	369,470
Net book value and fair value of investments	26,012		26,012
Net book value and fair value of other assets and liabilities			
Current assets			
Stock	3,751,591	1,759,183	5,510,774
Debtors	2,396,370	1,764,768	4,161,138
Cash at bank and in hand	253,714	12,343	266,057
	6,401,675	3,536,294	9,937,969
Creditors amounts falling due within one year	(5,219,378)	(2,643,381)	(7,862,759)
Creditors amounts falling due after more than one year	(8,378)	(2,770)	(11,148)
Goodwill arising on acquisition	161,194	411,233	572,427
Fair value of net assets acquired	1,677,042	1,354,929	3,031,971
Discharged by:			
Cash	1,677,042	1,354,929	3,031,971

The subsidiary undertakings acquired during the year absorbed £1,243,125 of the group's net operating cash flows, received £45,914 in respect of net returns on investments and servicing of finance and utilised £171,404 for capital expenditure.

### 14 Stocks and work in progress

	Group 1999 £	1998 £	Company 1999 £	1998 £
Raw materials and consumables	728,512	47,829	-	-
Work in progress	5,747,316	1,936,796	404,620	-
Finished goods and goods for resale	8,226,779	4,228,853	6,261,674	3,806,286
	14,702,607	6,213,478	6,666,294	3,806,286

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 1999

### 15 Debtors

	Group		Company	
	1999	1998	1999	1998
	£	£	£	£
Trade debtors	8,261,533	6,476,678	1,876,060	1,717,517
Amounts owed by group undertakings	-	-	3,034,891	3,620,457
Amounts owed by companies under common control	1,176,887	1,893,433	-	439,487
Corporation tax	7,803	10,803	-	-
Other debtors	1,128,125	675,353	225,906	289,128
Prepayments and accrued income	740,229	349,657	211,781	63,024
	<u>11,314,577</u>	<u>9,405,924</u>	<u>5,348,638</u>	<u>6,129,613</u>

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

	Group		Company	
	1999	1998	1999	1998
	£	£	£	£
Bank loans	6,069,685	2,082,522	330,000	-
Bank overdrafts	6,824,003	1,911,715	2,959,575	-
Net obligations under finance lease and hire purchase contracts	71,666	55,990	10,311	-
Trade creditors	7,320,083	3,473,460	574,051	87,049
Amounts owed to group undertakings	-	-	2,194,483	2,696,581
Amounts owed to companies under common control	7,883,339	8,328,970	7,852,292	8,080,786
Corporation tax	139,372	58,375	25,372	27,446
Other taxes and social security costs	1,094,488	624,796	26,513	17,939
Other creditors	209,960	376,569	181,928	-
Accruals and deferred income	1,234,847	1,180,146	649,479	582,723
	<u>30,847,443</u>	<u>18,092,543</u>	<u>14,804,004</u>	<u>11,492,524</u>

Bank loans and overdrafts are secured by a fixed and floating charge over the Group's present and future assets together with intercompany guarantees. The bank also has a first legal charge over the freehold property at 26 - 28 Conway Street.

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 1999

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

	Group 1999 £	1998 £	Company 1999 £	1998 £
Bank loans	2,805,000	-	2,805,000	-
Net obligations under finance leases and hire purchase agreements	63,612	62,495	15,407	-
Other creditors	990,000	990,000	990,000	990,000
Accruals and deferred income	87,026	-	-	-
	<u>3,945,638</u>	<u>1,052,495</u>	<u>3,810,407</u>	<u>990,000</u>
<b>Analysis of loans</b>				
Not wholly repayable within five years by instalments:				
Bank loan	3,135,000	-	-	-
Wholly repayable within five years	5,739,685	2,082,522	3,135,000	-
	<u>8,874,685</u>	<u>2,082,522</u>	<u>3,135,000</u>	<u>-</u>
Included in current liabilities	(6,069,685)	(2,082,522)	(330,000)	-
	<u>2,805,000</u>	<u>-</u>	<u>2,805,000</u>	<u>-</u>
Instalments not due within five years	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt due within one year	5,943,901	2,082,522	-	-
Between one and two years	330,000	-	330,000	-
Between two and five years	990,000	-	990,000	-
In five years or more	1,485,000	-	1,485,000	-
	<u>8,748,901</u>	<u>2,082,522</u>	<u>2,805,000</u>	<u>-</u>

The bank loan outstanding is repayable by monthly installments of £27,500 by February 2009 and bears interest at 1.5% above the HSBC base rate.

### Net obligations under finance leases and hire purchase contracts

Repayable within one year	71,666	55,990	10,311	-
Repayable between one and five years	63,612	62,495	15,407	-
	<u>135,278</u>	<u>118,485</u>	<u>25,718</u>	<u>-</u>
Included in liabilities falling due within one year	(71,666)	(55,990)	(10,311)	-
	<u>63,612</u>	<u>62,495</u>	<u>15,407</u>	<u>-</u>

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 1999

### 18 Provisions for liabilities and charges Group

Deferred  
taxation  
£

Addition on acquisition	11,148
Balance at 31 July 1999	11,148

### 19 Pension costs

The group made payments of £55,838 (1998 £49,610) to private money purchase schemes for the benefit of certain employees

### 20 Share capital

1999  
£

1998  
£

#### Authorised

9,999 Ordinary shares of £ 1 each

9,999

9,999

4,455,000 Redeemable preference shares of £ 1 each

4,455,000

1,655,000

4,464,999

1,664,999

#### Allotted, called up and fully paid

9,999 Ordinary shares of £ 1 each

9,999

9,999

4,455,000 Redeemable preference shares of £ 1 each

4,455,000

1,655,000

4,464,999

1,664,999

The holders of the redeemable preference shares have the right to receive a dividend of 7% per annum, payable half yearly in arrears on a cumulative basis, and no voting rights other than on matters relating to them. The dividends payable in the year ended 31 July 1999 were waived by the holders of the shares. The rights attached to preference shares have been varied such that they are now not redeemable until 31 July 2007 at the request of the shareholders, but the company may redeem all or any of the shares at any time. If the company is wound up, the holders of the redeemable preference shares will be entitled to repayment of the capital paid up, in which circumstances they will rank in priority to ordinary shares.

### 21 Minority interests

1999  
£

1998  
£

Minority interests' share of net assets and liabilities in subsidiary undertakings

335,458

277,996

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 1999

<b>22</b>	<b>Reconciliation of movements in shareholders' funds</b>	<b>1999</b>	<b>1998</b>
	<b>Group</b>	<b>£</b>	<b>£</b>
	Profit for the financial year	1,139,849	520,285
	Other recognised gains and losses	3,928	2,156
	Proceeds from issue of shares	2,800,000	-
	Net addition/(reduction) to shareholders' funds	3,943,777	522,441
	Opening shareholders' funds	1,328,914	806,473
	Closing shareholders' funds	5,272,691	1,328,914
<b>23</b>	<b>Net cash (outflow)/inflow from operating activities</b>	<b>1999</b>	<b>1998</b>
		<b>£</b>	<b>£</b>
	Reconciliation to operating profit:		
	Operating profit	1,996,816	937,245
	Depreciation of tangible fixed assets	621,008	370,607
	Amortisation of intangible fixed assets	313,550	256,307
	(Profit)/loss on disposal of tangible fixed assets	(34,989)	29,247
	Increase in provision against investments	50,000	-
	Increase in stocks	(2,978,355)	(1,477,220)
	Decrease in debtors	2,249,485	1,394,394
	Decrease in creditors	(3,986,348)	4,553,631
		(1,768,833)	6,064,211
<b>24</b>	<b>Reconciliation of net cash flow to movement in net debt</b>	<b>1999</b>	<b>1998</b>
		<b>£</b>	<b>£</b>
	(Decrease)/increase in cash	(5,155,955)	4,741,267
	New long term bank loan	(3,300,000)	-
	Repayment of long term bank loan	165,000	500,000
	Capital element of hire purchase and finance lease rentals	70,118	82,120
	Change in net debt resulting from cash flows	(8,220,837)	5,323,387
	New finance leases	(86,911)	(114,195)
	Movement in net debt	(8,307,748)	5,209,192
	Net debt at 1 August 1998	(2,095,924)	(7,305,116)
	Net debt at 31 July 1999	(10,403,672)	(2,095,924)



# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 1999

### 25 Analysis of net debt

	At 1 August 1998	Cash flow	Non-cash changes	At 31 July 1999
	£	£	£	£
Cash at bank and in hand	2,016,798	3,413,496	-	5,430,294
Bank overdrafts	(1,911,715)	(4,912,288)	-	(6,824,003)
Short term bank loans against overseas creditors	(2,082,522)	(3,657,163)		(5,739,685)
		(5,155,955)		
Debt due within one year	-	(3,135,000)	2,805,000	(330,000)
Debt due after one year	-	-	(2,805,000)	(2,805,000)
Hire purchase and finance leases	(118,485)	70,118	(86,911)	(135,278)
		(3,064,882)		
	<u>(2,095,924)</u>	<u>(8,220,837)</u>	<u>(86,911)</u>	<u>(10,403,672)</u>

### 26 Major non-cash transactions

During the year the Group entered into finance lease and hire purchase arrangements in respect of assets with a total capital value at the inception of the arrangement of £86,911 (1998: £114,195).

### 27 Contingent liabilities

The group companies are party to a group and related cross guarantee arrangement whereby the borrowings of all group companies are secured by a charge over the company's present and future assets. The maximum borrowings of the group under this arrangement is £9,000,000. At 31 July 1999 there were net group borrowings amounting to £7,182,969 (1998: £1,997,439).

### 28 Financial commitments

At 31 July 1999 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	1999	1998
	£	£
Expiry date:		
Within one year	142,513	114,210
Between two and five years	45,000	136,300
In over five years	402,256	121,264
	<u>589,769</u>	<u>371,774</u>

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 1999

### 29 Related party transactions

Related party		Sales and Royalties to related party in year	Purchases from related party in year	Amounts owed to related party	Amounts owed from related party
		£	£	£	£
<b>1) Under Common Control</b>					
International Garment Sourcing (Holdings) Limited	1999	-	-	89,488	-
	1998	-	161,106	-	380,965
C & S Productions Limited	1999	1,077,869	16,887,344	7,052,566	-
	1998	947,649	13,727,086	7,185,043	-
Associated Clothing Company (Offshore) Limited	1999	20,234	75,030	-	486,819
	1998	-	-	4,205	-
ICD One Limited	1999	-	-	-	-
	1998	-	-	-	40,210
NV Productions (Hong Kong) Limited	1999	-	-	-	254,213
	1998	-	-	-	234,881
Elberon Plc	1999	-	-	223,028	-
	1998	158,663	-	-	74,540

#### Nature of relationship

The above companies are controlled by the same ultimate controlling party as International Clothing Designs (Holdings) Limited

### 30 Ultimate controlling party

The directors consider Richard Caring to be the Company's ultimate controlling party. The groups bank facility is underwritten by a personal guarantee from R Caring. Included within creditors falling due after more than one year is £990,000 due to R Caring.

### 31 Post Balance Sheet Events

#### **Group**

On 22 November 1999 the group purchased the trade and assets of Ronald Joyce Limited for £770,000. The company's principal trading activity is that of the manufacture and distribution of ladies evening and bridal wear.