

I 700 058

Company Registration No. 895642 (England and Wales)

**INTERNATIONAL CLOTHING DESIGNS  
(HOLDINGS) LIMITED**

**DIRECTORS' REPORT AND GROUP ACCOUNTS**

**FOR THE YEAR ENDED 31 JULY 2001**



# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## COMPANY INFORMATION

---

<b>Directors</b>	R Caring J A Macaulay
<b>Secretary</b>	J A Macaulay
<b>Company number</b>	895642
<b>Registered office</b>	26-28 Conway Street London W1T 6BQ
<b>Business address</b>	26-28 Conway Street London W1T 6BQ
<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

---

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2001

The directors present their report and group accounts for the year ended 31 July 2001.

### Principal activities

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

### Review of business

During the year the group has rationalised its trading operations by closing down certain loss making parts of the businesses. During the forthcoming year the group has continued its rationalisation by disposing of certain businesses, focussing on its profitable businesses and taking steps to improve the position on other parts of the group.

### Results and dividends

The group loss for the year after taxation and minority interests amounted to £3,357,916.

### Post balance sheet events

After the year end, the directors of Associated Clothing Company transferred their shareholding to ICD Holdings Limited for £1.

### Directors and their interests

The directors at 31 July 2001 and their beneficial interests in the shares of the company and other group companies were:

	Ordinary shares of £ 1 each	
	31 July 2001	1 August 2000
R Caring	9,998	9,998
C D'Cruze	-	-
J A Macaulay	-	-

	Redeemable preference shares of £ 1 each	
	31 July 2001	1 August 2000
R Caring	1,655,000	1,655,000
C D'Cruze	-	-
J A Macaulay	-	-

C. D'Cruze resigned as a director on 27 February 2002.

### Charitable contributions

During the year the group made charitable donations of £9,129 (2000 :£4,243).

### 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 2001

---

### 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: 24 July 2002

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

---

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

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the accounts of International Clothing Designs (Holdings) Limited for the year ended 31 July 2001 set out on pages 5 to 27. These accounts have been prepared under the historical cost convention and the accounting policies set out on pages 9 to 10.

### Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 and the group's loss 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: .....



# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 2001

	Notes	2001 £	2000 £
<b>Turnover</b>	<b>2</b>		
Continuing operations		90,299,363	102,758,488
Discontinued activities		<u>14,490,314</u>	<u>-</u>
		104,789,677	102,758,488
 Cost of sales		 (87,650,466)	 (81,463,536)
 <b>Gross profit</b>		 17,139,211	 21,294,952
 Distribution costs		 (1,610,044)	 (1,316,979)
Administrative expenses		(22,288,375)	(18,830,985)
Other operating income		<u>12,502</u>	<u>-</u>
 <b>Operating (loss)/profit</b>	<b>3</b>		
Continuing operations		(3,054,010)	1,146,988
Discontinued activities		<u>(3,692,696)</u>	<u>-</u>
		(6,746,706)	1,146,988
 Other income	<b>6</b>	 4,397,157	 300,158
Interest payable and similar charges	<b>7</b>	<u>(1,406,591)</u>	<u>(1,221,151)</u>
 <b>(Loss)/profit on ordinary activities before taxation</b>		 (3,756,140)	 225,995
 Tax on (loss)/profit on ordinary activities	<b>8</b>	 <u>167,713</u>	 <u>(219,035)</u>
 <b>(Loss)/profit on ordinary activities after taxation</b>		 (3,588,427)	 6,960
 Minority interests		 <u>230,511</u>	 <u>90,757</u>
 <b>(Loss)/profit for the financial year</b>	<b>9</b>	 (3,357,916)	 97,717
 Retained profit brought forward		 939,483	 807,692
Currency translation differences		<u>31,072</u>	<u>34,074</u>
 <b>(Accumulated loss)/retained profit carried forward</b>		 <u>(2,387,361)</u>	 <u>939,483</u>

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 JULY 2001

	2001 £	2000 £
(Loss)/profit for the financial year	(3,357,916)	97,717
Unrealised surplus on revaluation of properties	3,047,267	-
	<hr/>	<hr/>
	(310,649)	97,717
Currency translation differences on foreign currency net investments	31,072	34,074
	<hr/>	<hr/>
Total recognised gains and losses relating to the year	<u>(279,577)</u>	<u>131,791</u>



# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## BALANCE SHEETS AS AT 31 JULY 2001

		Group		Company	
	Notes	2001 £	2000 £	2001 £	2000 £
<b>Fixed assets</b>					
Intangible assets	10	1,506,031	2,070,966	-	-
Tangible assets	11	9,960,192	7,615,292	8,013,575	5,104,389
Investments	12	-	10,000	2,871,585	6,169,384
		<u>11,466,223</u>	<u>9,696,258</u>	<u>10,885,160</u>	<u>11,273,773</u>
<b>Current assets</b>					
Stocks	13	11,630,919	18,972,445	4,521,534	10,125,387
Debtors	14	16,545,327	15,382,962	5,064,559	7,029,708
Cash at bank and in hand		<u>3,397,735</u>	<u>6,528,636</u>	<u>442,799</u>	<u>459,061</u>
		<u>31,573,981</u>	<u>40,887,651</u>	<u>10,028,892</u>	<u>17,614,156</u>
<b>Creditors: amounts falling due within one year</b>	15	<u>(35,205,823)</u>	<u>(40,729,987)</u>	<u>(11,130,948)</u>	<u>(20,370,060)</u>
<b>Net current assets</b>		<u>(3,631,842)</u>	<u>154,056</u>	<u>(1,102,056)</u>	<u>(2,755,904)</u>
<b>Total assets less current liabilities</b>		<u>7,834,381</u>	<u>9,850,314</u>	<u>9,783,104</u>	<u>8,517,869</u>
<b>Creditors: amounts falling due after more than one year</b>	16	<u>(2,695,287)</u>	<u>(4,146,597)</u>	<u>(2,596,500)</u>	<u>(3,996,899)</u>
<b>Provisions for liabilities and charges</b>	17	<u>-</u>	<u>(54,535)</u>	<u>-</u>	<u>-</u>
		<u>5,139,094</u>	<u>5,649,182</u>	<u>7,186,604</u>	<u>4,520,970</u>
<b>Capital and reserves</b>					
Called up share capital	19	4,464,998	4,464,998	4,464,998	4,464,998
Revaluation reserve	20	3,047,267	-	3,047,267	-
Profit and loss account		<u>(2,387,361)</u>	<u>939,483</u>	<u>(325,661)</u>	<u>55,972</u>
	22	<u>5,124,904</u>	<u>5,404,481</u>	<u>7,186,604</u>	<u>4,520,970</u>
<b>Minority interests</b>	21	<u>14,190</u>	<u>244,701</u>	<u>-</u>	<u>-</u>
		<u>5,139,094</u>	<u>5,649,182</u>	<u>7,186,604</u>	<u>4,520,970</u>
<b>Equity interests</b>		<u>684,094</u>	<u>1,194,182</u>	<u>2,731,604</u>	<u>65,970</u>
<b>Non-equity interests</b>		<u>4,455,000</u>	<u>4,455,000</u>	<u>4,455,000</u>	<u>4,455,000</u>
		<u>5,139,094</u>	<u>5,649,182</u>	<u>7,186,604</u>	<u>4,520,970</u>

The accounts were approved by the board on 24 July 2002

*J A Macaulay*

J A Macaulay  
Director

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 2001

	Notes	2001 £	2000 £
Net cash inflow/(outflow) from operating activities	23	346,000	(3,223,122)
<b>Returns on investments and servicing of finance</b>			
Interest received	891,910	284,028	
Interest paid	(1,387,771)	(1,198,057)	
Interest element of hire purchase and finance lease rentals	(18,820)	(23,094)	
<b>Net cash outflow from returns on investments and servicing of finance</b>		(514,681)	(937,123)
<b>Corporation tax</b>		(216,589)	(81,657)
<b>Capital expenditure and financial investment</b>			
Payments to acquire intangible fixed assets	(188,337)	(282,651)	
Payments to acquire tangible fixed assets	(1,290,884)	(1,703,910)	
Receipts from sales of tangible fixed assets	581,955	106,937	
Receipts from sales of investments	-	4,830	
<b>Net cash inflow/(outflow) from capital expenditure and financial investment</b>		(897,266)	(1,874,794)
<b>Acquisitions and disposals</b>			
Purchase of subsidiary undertakings	-	(2)	
Net cash acquired	-	5,147	
<b>Net cash outflow on acquisitions and disposals</b>		-	5,145
<b>Net cash outflow before financing</b>		(1,282,536)	(6,111,551)
<b>Financing</b>			
New short term bank loan	3,744,128	686,000	
Repayment of short term bank loan	(3,598,496)	(403,701)	
Capital element of hire purchase and finance lease rentals	(112,004)	(52,689)	
<b>Net cash inflow from financing</b>		33,628	229,610
<b>Decrease in cash</b>	24	(1,248,908)	(5,881,941)

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2001

---

### 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 2001. 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 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets, other than freehold land, 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 and 20% straight line

Plant and machinery

20% - 33% straight line

Fixtures, fittings & equipment

20% - 35% straight line

Motor vehicles

25% Reducing balance and 20% - 33% straight line

#### 1.6 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.

#### 1.7 Investments

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

#### 1.8 Stock and work in progress

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 2001

### 1 Accounting policies (continued)

#### 1.9 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.

#### 1.10 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.

### 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:

	2001 £	2000 £
<b>Geographical segment</b>		
United Kingdom	99,555,517	95,828,001
Rest of Europe	4,232,241	5,833,440
Rest of World	1,001,919	1,097,047
	<u>104,789,677</u>	<u>102,758,488</u>

### 3 Operating (loss)/profit

	2001 £	2000 £
Operating (loss)/profit is stated after charging:		
Amortisation of intangible assets	753,272	334,700
Depreciation of owned tangible assets	1,203,936	1,026,822
Depreciation of tangible fixed assets held under finance leases and hire purchase contracts	46,763	64,296
Operating lease rentals		
- Plant and machinery	5,149	18,476
- Other assets	838,853	640,576
Auditors' remuneration (company £10,500; 2000 : £11,750)	82,442	102,150
Remuneration of auditors for non-audit work	17,942	52,330

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2001

4	Directors' emoluments	2001 £	2000 £
	Aggregate emoluments	416,792	354,342
	Company contributions to defined contribution pension schemes	30,409	13,480
		<u>447,201</u>	<u>367,822</u>

Retirement benefits are accruing to 0 (2000 - 1) directors under defined contribution schemes.

Emoluments disclosed above include the following amounts paid to the highest paid director:

Aggregate emoluments	258,911	196,472
Company contributions to defined contribution pension schemes	9,372	13,480
	<u>268,283</u>	<u>210,000</u>

### 5 Employees

#### Number of employees

The average weekly number of employees during the year was:

	2001 Number	2000 Number
Selling, distribution, processing and administration	<u>643</u>	<u>751</u>

#### Employment costs

	£	£
Wages and salaries	12,271,452	12,641,925
Social security costs	1,079,655	1,103,335
Other pension costs	89,997	130,749
	<u>13,441,104</u>	<u>13,876,009</u>

### 6 Other income

	2001 £	2000 £
Profit on disposal of tangible fixed assets	5,247	16,130
Waiver of related company loans	3,500,000	-
Interest receivable and similar income	891,910	284,028
	<u>4,397,157</u>	<u>300,158</u>

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2001

<b>7</b>	<b>Interest payable and similar charges</b>	<b>2001</b>	<b>2000</b>
		£	£
	Interest payable on:		
	Bank loans and overdrafts	1,268,124	1,108,879
	Other loans	119,647	74,372
	Finance lease and hire purchase contracts	18,820	23,094
	Amounts payable to factors	-	14,806
		<u>1,406,591</u>	<u>1,221,151</u>
<b>8</b>	<b>Taxation</b>	<b>2001</b>	<b>2000</b>
		£	£
	<b>U.K. current year taxation</b>		
	U.K. corporation tax at 0% (2000 - 30%)	(123,189)	132,500
	Overseas tax	1,721	17,146
	Deferred taxation	(54,535)	43,389
		<u>(176,003)</u>	<u>193,035</u>
	<b>Prior years</b>		
	U.K. Corporation tax	8,290	26,000
		<u>(167,713)</u>	<u>219,035</u>
<b>9</b>	<b>Loss for the financial year</b>		
	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 loss for the financial year is made up as follows:		
		<b>2001</b>	<b>2000</b>
		£	£
	Holding company's loss for the financial year	<u>(381,633)</u>	<u>(158,058)</u>

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2001

### 10 Intangible fixed assets

#### Group

	Goodwill £	Trade Marks £	Total £
<b>Cost</b>			
At 1 August 2000	4,001,217	36,625	4,037,842
Additions	188,337	-	188,337
	<u>4,189,554</u>	<u>36,625</u>	<u>4,226,179</u>
At 31 July 2001			
<b>Amortisation</b>			
At 1 August 2000	1,938,462	28,414	1,966,876
Charge for year	751,609	1,663	753,272
	<u>2,690,071</u>	<u>30,077</u>	<u>2,720,148</u>
At 31 July 2001			
<b>Net book value</b>			
At 31 July 2001	<u>1,499,483</u>	<u>6,548</u>	<u>1,506,031</u>
At 31 July 2000	<u>2,062,755</u>	<u>8,211</u>	<u>2,070,966</u>

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2001

### 11 Tangible fixed assets Group

	Land and buildings	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost or valuation</b>					
At 1 August 2000	5,791,941	1,907,320	1,795,062	725,556	10,219,879
Exchange differences	2,619	27,150	(22,617)	922	8,074
Additions	312,389	424,318	373,371	180,806	1,290,884
Revaluation	3,047,267	-	-	-	3,047,267
Disposals	(414,677)	(528,671)	(353,676)	(403,734)	(1,700,758)
<b>At 31 July 2001</b>	<b>8,739,539</b>	<b>1,830,117</b>	<b>1,792,140</b>	<b>503,550</b>	<b>12,865,346</b>
<b>Depreciation</b>					
At 1 August 2000	624,579	1,003,252	785,223	191,533	2,604,587
Exchange differences	1,221	9,050	(5,480)	922	5,713
On disposals	(96,488)	(396,074)	(234,071)	(229,212)	(955,845)
Charge for the year	267,913	475,438	351,852	155,496	1,250,699
<b>At 31 July 2001</b>	<b>797,225</b>	<b>1,091,666</b>	<b>897,524</b>	<b>118,739</b>	<b>2,905,154</b>
<b>Net book value</b>					
<b>At 31 July 2001</b>	<b>7,942,314</b>	<b>738,451</b>	<b>894,616</b>	<b>384,811</b>	<b>9,960,192</b>
<b>At 31 July 2000</b>	<b>5,167,362</b>	<b>904,068</b>	<b>1,009,839</b>	<b>534,023</b>	<b>7,615,292</b>

The net book value of land and buildings comprises:

	2001 £	2000 £
Freeholds	7,200,001	4,554,668
Short leaseholds (under 50 years)	742,313	612,694
	<b>7,942,314</b>	<b>5,167,362</b>

The freehold land and buildings were revalued as at July 2001 by Edwin Symmons & Partners, a firm of independent Chartered Surveyors. Their valuation was prepared in accordance with the RICS Appraisal and Valuation Manual as published by the Royal Institution of Chartered Surveyors on an Open Market Value and Estimated Realisation Price basis.



# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2001

---

### Comparable historical cost for the land and buildings included at valuation:

	£
<b>Cost</b>	
At 1 August 2000	4,519,869
Additions	11,859
	<hr/>
At 31 July 2001	4,531,728
	<hr/>
<b>Depreciation based on cost</b>	
At 1 August 2000	178,112
Charge for the year	86,774
	<hr/>
At 31 July 2001	264,886
	<hr/>
<b>Net book values</b>	
At 31 July 2001	4,266,842
	<hr/>
At 31 July 2000	4,341,757
	<hr/>

All other tangible fixed assets are stated at historical cost.

### Finance leases and hire purchase contracts

The net book value of tangible fixed assets includes an amount of £180,201 (2000 - £189,064) 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.

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2001

Company	Land and buildings	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost or valuation</b>					
At 1 August 2000	4,621,163	269,238	391,752	231,003	5,513,156
Intercompany transfers	183,215	171,861	140,075	7,330	502,481
Additions	20,662	60,964	111,725	28,861	222,212
Revaluation	3,047,267	-	-	-	3,047,267
Disposals	(264,268)	-	-	(20,000)	(284,268)
<b>At 31 July 2001</b>	<b>7,608,039</b>	<b>502,063</b>	<b>643,552</b>	<b>247,194</b>	<b>9,000,848</b>
<b>Depreciation</b>					
At 1 August 2000	108,558	159,410	95,504	45,294	408,766
Intercompany transfers	69,736	54,444	64,030	458	188,668
On disposals	-	-	-	(2,919)	(2,919)
Charge for the year	89,406	112,225	130,983	60,144	392,758
<b>At 31 July 2001</b>	<b>267,700</b>	<b>326,079</b>	<b>290,517</b>	<b>102,977</b>	<b>987,273</b>
<b>Net book value</b>					
<b>At 31 July 2001</b>	<b>7,340,339</b>	<b>175,984</b>	<b>353,035</b>	<b>144,217</b>	<b>8,013,575</b>
<b>At 31 July 2000</b>	<b>4,512,604</b>	<b>109,828</b>	<b>296,248</b>	<b>185,709</b>	<b>5,104,389</b>

The net book value of land and buildings comprises:

	2001 £	2000 £
Freeholds	7,200,001	4,512,604
Short leaseholds (under 50 years)	140,338	-
	<b>7,340,339</b>	<b>4,512,604</b>

The freehold land and building were revalued as at July 2001 by Edwin Symmons & partners, a firm of independent Chartered Surveyors. Their valuation was prepared in accordance with the RICS Appraisal and Valuation Manual as published by the Royal Institution of Chartered Surveyors on an Open Market Value and Estimated Realisation Price basis.

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2001

---

### Comparable historical cost for the land and buildings included at valuation:

	£
<b>Cost</b>	
At 1 August 2000	4,337,714
Additions	11,859
Intercompany transfers	182,155
	<hr/>
At 31 July 2001	4,531,728
	<hr/>
<b>Depreciation based on cost</b>	
At 1 August 2000	107,609
Charge for the year	86,774
Intercompany transfers	70,503
	<hr/>
At 31 July 2001	264,886
	<hr/>
<b>Net book values</b>	
At 31 July 2001	4,266,842
	<hr/>
At 31 July 2000	4,230,105
	<hr/>

All other tangible fixed assets are stated at historical cost.

### Finance leases and hire purchase contracts

The net book value of tangible fixed assets includes an amount of £12,838 (2000 - £21,428) 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.

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2001

### 12 Fixed asset investments

#### Group

	Unlisted investments £
<b>Cost or valuation</b>	
At 1 August 2000 and at 31 July 2001	60,000
<b>Provisions for diminution in value</b>	
At 1 August 2000	50,000
Charge for the year	10,000
<b>At 31 July 2001</b>	<b>60,000</b>
<b>Net book value</b>	
At 31 July 2001	-
At 31 July 2000	10,000

#### Company

	Unlisted investments £	Shares and loans in subsidiary undertakings £	Total £
<b>Cost or valuation</b>			
At 1 August 2000	60,000	6,159,484	6,219,484
Additions	-	37,943	37,943
<b>At 31 July 2001</b>	<b>60,000</b>	<b>6,197,427</b>	<b>6,257,427</b>
<b>Provisions for impairment in value</b>			
At 1 August 2000	50,000	100	50,100
Charge for the year	10,000	3,325,742	3,335,742
<b>At 31 July 2001</b>	<b>60,000</b>	<b>3,325,842</b>	<b>3,385,842</b>
<b>Net book value</b>			
At 31 July 2001	-	2,871,585	2,871,585
At 31 July 2000	10,000	6,159,384	6,169,384

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2001

### 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	Discontinued	England	Ordinary	75
The Associated Clothing Company (HK) Ltd	Clothing	Hong Kong	Ordinary	100
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	Discontinued	England	Ordinary	100
Milmans (One) Limited	Dormant	England	Ordinary	100
Melmart of London Limited	Dormant	England	Ordinary	100
The Nashville Corporation Limited	Clothing	England	Ordinary	100
Jeamland Limited	Clothing	England	Ordinary	100
Trump Limited	Discontinued	England	Ordinary	100
Pamplermousse 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
Ronald Joyce (International) Limited	Bridal and evening wear	England	Ordinary	100
Amanda Wakeley (Holdings) Limited	Non-trading	England	Ordinary	100
Amanda Wakeley (Retail) Limited	Clothing	England	Ordinary	100
Amanda Wakeley Limited	Dormant	England	Ordinary	100
Tapestry Taiwan Limited	Dormant	England	Ordinary	100

### 13 Stocks and work in progress

	Group		Company	
	2001	2000	2001	2000
	£	£	£	£
Raw materials and consumables	1,500,729	2,243,547	512,719	99,586
Work in progress	4,873,456	7,458,397	3,212,368	2,512,153
Finished goods and goods for resale	5,256,734	9,270,501	796,447	7,513,648
	<u>11,630,919</u>	<u>18,972,445</u>	<u>4,521,534</u>	<u>10,125,387</u>

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2001

### 14 Debtors

	Group 2001 £	2000 £	Company 2001 £	2000 £
Trade debtors	11,208,153	10,484,940	2,770,729	3,684,814
Amounts owed by group undertakings	-	-	1,100,260	2,252,949
Amounts owed by companies under common control	2,885,012	1,965,298	242,530	361,130
Corporation tax	136,951	7,803	5,010	-
Other debtors	1,179,058	1,159,270	329,067	618,285
Prepayments and accrued income	1,136,153	1,765,651	616,963	112,530
	<u>16,545,327</u>	<u>15,382,962</u>	<u>5,064,559</u>	<u>7,029,708</u>

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

	Group 2001 £	2000 £	Company 2001 £	2000 £
Bank loans	8,309,844	7,753,813	3,091,400	445,436
Bank overdrafts	10,318,565	12,200,558	214,294	-
Net obligations under finance lease and hire purchase contracts	52,684	124,532	2,636	14,353
Trade creditors	8,968,399	6,836,982	2,629,321	214,846
Amounts owed to group undertakings	-	-	3,032,209	8,948,523
Amounts owed to companies under common control	4,341,177	9,334,519	327,908	9,193,168
Corporation tax	4,090	204,709	-	24,990
Taxes and social security costs	828,387	1,738,035	83,736	99,675
Other creditors	873,637	262,851	1,317,500	-
Accruals and deferred income	1,509,040	2,273,988	431,944	1,429,069
	<u>35,205,823</u>	<u>40,729,987</u>	<u>11,130,948</u>	<u>20,370,060</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 has first legal charges over the freehold properties at 26 - 28 Conway Street and 357 Euston Road.

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2001

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

	Group		Company	
	2001	2000	2001	2000
	£	£	£	£
Bank loans	2,596,500	3,006,899	2,596,500	3,006,899
Net obligations under finance leases and hire purchase agreements	33,172	73,328	-	-
Other creditors	-	990,000	-	990,000
Accruals and deferred income	65,615	76,370	-	-
	<u>2,695,287</u>	<u>4,146,597</u>	<u>2,596,500</u>	<u>3,996,899</u>
<b>Analysis of loans</b>				
Not wholly repayable within five years by instalments:				
Bank loan repayable by February 2009	2,475,000	2,805,000	-	2,805,000
Bank loan repayable by August 2008	531,900	612,300	-	612,300
Wholly repayable within five years	7,899,444	7,343,412	5,687,900	35,035
	<u>10,906,344</u>	<u>10,760,712</u>	<u>5,687,900</u>	<u>3,452,335</u>
Included in current liabilities	(8,309,844)	(7,753,813)	(3,091,400)	(445,436)
	<u>2,596,500</u>	<u>3,006,899</u>	<u>2,596,500</u>	<u>3,006,899</u>
Debt due within one year	8,309,844	7,753,813	3,091,400	445,436
Between one and two years	410,400	410,400	410,400	440,000
Between two and five years	1,231,200	1,231,200	1,231,200	990,000
In five years or more	954,900	1,365,299	954,900	1,576,900
	<u>10,906,344</u>	<u>10,760,712</u>	<u>5,687,900</u>	<u>3,452,336</u>

The bank loan repayable by February 2009 is repaid in monthly instalments of £27,500 and the bank loan repayable by August 2008 is repaid in monthly instalments of £6,700. Both of these loans bear interest at 1.5% above the HSBC base rate.

During the year a loan of £990,000 was repaid to Richard Caring. The loan bore interest at 1.75% above the HSBC base rate. For the year, Richard Caring was paid £70,036 (2000 - £74,342) interest on this loan.

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2001

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

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

Repayable within one year	52,684	124,532	2,636	14,353
Repayable between one and five years	33,172	73,328	-	-
	<u>85,856</u>	<u>197,860</u>	<u>-</u>	<u>14,353</u>
Included in liabilities falling due within one year	(52,684)	(124,532)	(2,636)	(14,353)
	<u>33,172</u>	<u>73,328</u>	<u>2,636</u>	<u>-</u>

### 17 Provisions for liabilities and charges Group

	Deferred taxation £
Balance at 1 August 2000	54,535
Profit and loss account	(54,535)
	<u>-</u>
Balance at 31 July 2001	<u>-</u>

Deferred tax is provided at 30% (2000 - 30%) analysed over the following timing differences:

#### Group

	Not provided 2001 £	2000 £	Provided 2001 £	2000 £
Accelerated capital allowances	<u>522,115</u>	<u>-</u>	<u>-</u>	<u>54,535</u>

No deferred tax is being provided for on the above property as the directors do not intend to dispose of the property in the foreseeable future.

### 18 Pension costs

The group made payments of £89,997 (2000-£130,749) to defined contribution pension schemes for the benefit of certain employees.



# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2001

19	Share capital	2001 £	2000 £
	<b>Authorised</b>		
	10,000 Ordinary shares of £ 1 each	10,000	10,000
	4,455,000 Redeemable preference shares of £ 1 each	4,455,000	4,455,000
		<u>4,465,000</u>	<u>4,465,000</u>
	<b>Allotted, called up and fully paid</b>		
	9,998 Ordinary shares of £ 1 each	9,998	9,998
	4,455,000 Redeemable preference shares of £ 1 each	4,455,000	4,455,000
		<u>4,464,998</u>	<u>4,464,998</u>

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 2001 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.

### 20 Statement of movements on reserves Group

	Revaluation reserve £
Revaluation during the year	3,047,267
Balance at 31 July 2001	<u>3,047,267</u>

21	Minority interests	2001 £	2000 £
	Minority interests' share of net assets and liabilities in subsidiary undertakings	<u>14,190</u>	<u>244,701</u>

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2001

<b>22</b>	<b>Reconciliation of movements in shareholders' funds</b>	<b>2001</b>	<b>2000</b>
	<b>Group</b>	<b>£</b>	<b>£</b>
	(Loss)/profit for the financial year	(3,357,916)	97,717
	Other recognised gains and losses	3,078,339	34,074
	Net (depletion in)/addition to shareholders' funds	(265,387)	131,791
	Opening shareholders' funds	5,404,481	5,272,690
	Closing shareholders' funds	5,124,904	5,404,481
<b>23</b>	<b>Net cash inflow/(outflow) from operating activities</b>	<b>2001</b>	<b>2000</b>
		<b>£</b>	<b>£</b>
	Reconciliation to operating (loss)/profit:		
	Operating (loss)/profit	(6,746,706)	1,146,988
	Depreciation of tangible fixed assets	1,250,699	1,091,118
	Amortisation of intangible fixed assets	753,272	334,700
	Write off of investment	10,000	-
	Profit on disposal of tangible fixed assets	168,205	(16,130)
	Currency translation differences	28,711	-
	Decrease/(increase) in stocks	7,341,526	(3,847,820)
	Increase in debtors	(1,033,217)	(3,956,769)
	(Decrease)/Increase in creditors	(1,426,490)	(2,024,791)
		346,000	(3,223,122)
<b>24</b>	<b>Reconciliation of net cash flow to movement in net debt</b>	<b>2001</b>	<b>2000</b>
		<b>£</b>	<b>£</b>
	Decrease in cash	(1,248,908)	(5,881,941)
	New short term bank loan	(3,744,128)	(686,000)
	Repayment of short term bank loan	3,598,496	403,701
	Capital element of hire purchase and finance lease rentals	112,004	52,689
	Change in net debt resulting from cash flows	(1,282,536)	(6,111,551)
	New finance leases	-	(115,271)
	Movement in net debt	(1,282,536)	(6,226,822)
	Net debt at 1 August 2000	(16,630,494)	(10,403,672)
	Net debt at 31 July 2001	(17,913,030)	(16,630,494)

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2001

### 25 Analysis of net debt

	At 1 August 2000	Cash flow	At 31 July 2001
	£	£	£
Cash at bank and in hand	6,528,636	(3,130,901)	3,397,735
Bank overdrafts	(12,200,558)	1,881,993	(10,318,565)
Short term bank loans against overseas creditors	(7,753,813)	(556,031)	(8,309,844)
		<u>(1,804,939)</u>	
Debt due after one year	(3,006,899)	410,399	(2,596,500)
Hire purchase and finance leases	(197,860)	112,004	(85,856)
		<u>522,403</u>	
	<u>(16,630,494)</u>	<u>(1,282,536)</u>	<u>(17,913,030)</u>

### 26 Contingent liabilities

The group companies are party to a group and related party 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 £15,000,000 (2000: £12,500,000), this facility is in addition to group long term bank loans.

At 31 July 2001 the net group borrowings, excluding group long term bank loans, were £14,118,783 (2000: £13,215,859), group long term loan amounted to £3,006,910.

### 27 Financial commitments

At 31 July 2001 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2001	2000
	£	£
Expiry date:		
Between two and five years	43,500	45,000
In over five years	470,016	476,414
	<u>513,516</u>	<u>521,414</u>

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2001

### 28 Related party transactions

Related party	Sales and royalties to related party in year	Management fees charged to a related party	Purchases from related party in year	Amounts owed to related party	Amounts owed from related party
	£	£	£	£	£
<b>Under Common Control</b>					
International Garment Sourcing (Holdings) Limited	-	-	-	-	932,474
C & S Productions Limited	-	-	349,432	711,648	-
C&S Hong Kong Limited	900,342	-	18,006,840	394,885	-
Associated Clothing Company (Offshore) Limited	-	-	-	25,210	-
IGS (HK) Limited	-	-	-	-	-
NV Productions Limited	1,097,096	-	6,207,477	2,991,404	-
Elberon International Ltd	-	-	-	-	242,530
Elberon Ltd	-	250,000	-	218,030	1,710,008

During the year International Garment Sourcing (Holdings) Limited waived £1,538,344 and C&S Productions Limited waived £1,961,656 in respect of amounts owed by International Clothing Designs (Holdings) Limited.

#### Nature of relationship

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

# INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

## NOTES TO THE GROUP ACCOUNTS *FOR THE YEAR ENDED 31 JULY 2001*

---

### 29 Ultimate controlling party

The directors consider Richard Caring to be the Company's ultimate controlling party. The group's bank facilities are underwritten by a personal guarantee from R Caring.