

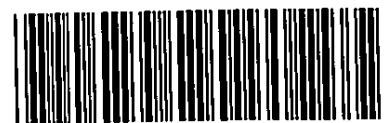
Company Registration No 895642 (England and Wales)

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

ANNUAL REPORT

FOR THE PERIOD ENDED 4 MAY 2010

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INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

COMPANY INFORMATION

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

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

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INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 4 MAY 2010

Following a change in accounting reference date from 31 July to 30 April, the directors present their report and group financial statements for the period from 1 August 2009 to 4 May 2010

Principal activities and review of the business

The principal activity of the business continues to be that of design and distribution of clothing and accessories

The highly competitive nature of the UK clothing market continues with retailers continuing to defend their market share in their effort to maintain sales and cashflow

The group's turnover is a combination of invoiced sales and commissions. The mix may change from year to year and is dependent upon the requirements or preferences of the group's customers. This therefore impacts upon the reported turnover and gross profit levels.

Bearing in mind the above, the group's gross margin improved to 11.4% (2009 - 10.4%). Given the very challenging trading environment the directors believe the results to be satisfactory given the ongoing deep discounting by retailers. The directors continued a number of initiatives to reduce overheads and these effects resulted in a favourable reduction to administrative expenses. The directors believe that the long-term financial success of the group will continue to be based upon its design innovation and continued close working relationship with both customers and suppliers.

The group made a pre-tax profit of £135,312 (2009 - £226,928) for the period on a turnover of £36,114,701 (2009 - £65,219,043)

At 4 May 2010 the group had net assets of £9,055,117 (2009 - £8,875,837)

The principal risks and uncertainties facing the group arise from the high level of retailer competition, the contraction of consumer spending, the significant price inflation on product sourced from the Far East and from volatility in exchange rates.

The directors recognise they have little influence over these economic risks, however, the directors have taken actions to minimise the effect of these factors wherever possible and in particular on the potential failure of customers and currency risk.

The directors took the decision to purchase credit insurance on selected customers to mitigate the potential risk of non-payment. So far, there have been no cases where the company has had to make a claim.

As the group purchases all goods for resale in foreign currency, the directors accept the group has a significant financial exposure to movements in exchange rates. If the group did nothing, the purchase price for the group's product would be uncertain until the purchase invoice is paid. In the opinion of the directors, this would be an unacceptable risk and therefore, it is the group's policy to mitigate this using currency hedging techniques. The directors continue to review their exchange risk strategy to ensure it continues to manage this currency risk effectively and efficiently.

In the opinion of the directors, there are no Key Performance Indicators whose additional disclosure is necessary for an understanding of the development, performance or position of the business.

Dividends

The directors do not recommend any final dividend in respect of any class of shares as at 4 May 2010.

Directors

The directors who served during the period were:

R Caring
J W S Lawrence
J Tipper

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 4 MAY 2010

Charitable donations	2010	2009
	£	£

During the period the company made the following payments

Charitable donations	-	4,245
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During the period the group made charitable donations of £450 (2009 £4,745)

Disclosure of information to auditors

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditors are unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

Auditors

H W Fisher & Company are deemed to be re-appointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continues in force under the Companies Act 2006.

On behalf of the board



J Tipper

Director

Dated 29 OCTOBER 2010

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

STATEMENT OF 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 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 group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 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 MEMBERS OF INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

We have audited the group and parent company financial statements (the "financial statements") of International Clothing Designs (Holdings) Limited for the period ended 4 May 2010 set out on pages 5 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 4 May 2010 and of the group's profit for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

D S Selwyn (Senior Statutory Auditor)

for and on behalf of H W Fisher & Company

Chartered Accountants

Statutory Auditor

Acre House

11-15 William Road

London

NW1 3ER

United Kingdom

Dated 29 October 2010

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 4 MAY 2010

		Period ended 4 May 2010 £	Year ended 31 July 2009 £
	Notes		
Turnover	2	36,114,701	65,219,043
Cost of sales		(31,989,730)	(58,418,799)
Gross profit		4,124,971	6,800,244
Administrative expenses		(4,269,737)	(6,603,068)
Other operating income		157,937	291,985
Operating profit	3	13,171	489,161
Exceptional profit on sale of property		313,188	-
Profit on ordinary activities before interest		326,359	489,161
Other interest receivable and similar income		162,192	320,053
Interest payable and similar charges	6	(353,239)	(582,286)
Profit on ordinary activities before taxation		135,312	226,928
Tax on profit on ordinary activities	7	43,968	(126,933)
Profit on ordinary activities after taxation		179,280	99,995

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

There are no recognised gains and losses other than those passing through the profit and loss account

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT (CONTINUED)

FOR THE PERIOD ENDED 4 MAY 2010

Note of historical cost profits and losses

	Period ended 4 May 2010 £	Year ended 31 July 2009 £
Reported profit on ordinary activities before taxation	135,312	226,928
Realisation of property revaluation gains of previous years	587,225	-
Historical cost profit on ordinary activities before taxation	722,537	226,928
Historical cost profit for the period retained after taxation, extraordinary items and dividends	766,505	99,995

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

STATEMENT OF RECOGNISED GAINS AND LOSSES

FOR THE PERIOD ENDED 4 MAY 2010

	Period ended 4 May 2010 £	Year ended 31 July 2009 £
Profit for the financial period	179,280	99,995
Total recognised gains and losses relating to the period	179,280	99,995

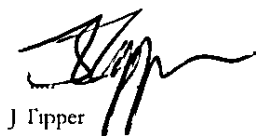
Note of historical cost profits and losses

	Period ended 4 May 2010 £	Year ended 31 July 2009 £
Reported profit on ordinary activities before taxation	135,312	226,928
Realisation of property revaluation gains of previous years	587,225	-
Difference between an historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	52,097	64,795
Historical cost profit on ordinary activities before taxation	774,634	291,723
Historical cost profit for the period retained after taxation, extraordinary items and dividends	818,602	164,790

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED**BALANCE SHEETS****AS AT 4 MAY 2010**

	Notes	Group 2010 £	2009 £	Company 2010 £	2009 £
Fixed assets					
Tangible assets	10	6,658,842	7,946,367	6,649,505	7,939,375
Investments	11	-	-	2,005,000	25,000
		<u>6,658,842</u>	<u>7,946,367</u>	<u>8,654,505</u>	<u>7,964,375</u>
Current assets					
Stocks	12	1,415,504	7,466,952	41,027	1,525,241
Debtors	13	9,917,671	10,348,590	6,545,591	6,571,676
Cash at bank and in hand		2,823,168	4,757,679	-	3,022,843
		<u>14,156,343</u>	<u>22,573,221</u>	<u>6,586,618</u>	<u>11,119,760</u>
Creditors amounts falling due within one year	14	(8,527,003)	(16,968,314)	(3,451,813)	(7,379,158)
Net current assets		<u>5,629,340</u>	<u>5,604,907</u>	<u>3,134,805</u>	<u>3,740,602</u>
Total assets less current liabilities		<u>12,288,182</u>	<u>13,551,274</u>	<u>11,789,310</u>	<u>11,704,977</u>
Creditors amounts falling due after more than one year	15	(3,197,345)	(4,639,717)	(3,197,345)	(4,639,717)
Provisions for liabilities	16	(35,720)	(35,720)	(35,720)	(35,720)
		<u>9,055,117</u>	<u>8,875,837</u>	<u>8,556,245</u>	<u>7,029,540</u>
Capital and reserves					
Called up share capital	17	4,464,998	4,464,998	4,464,998	4,464,998
Revaluation reserve	18	3,403,519	4,042,841	3,403,519	4,042,841
Other reserves	18	467,775	467,775	467,775	467,775
Profit and loss account	18	718,825	(99,777)	219,953	(1,946,074)
Shareholders' funds	19	<u>9,055,117</u>	<u>8,875,837</u>	<u>8,556,245</u>	<u>7,029,540</u>

Approved by the Board and authorised for issue on 29 October 2010


J Tipper
Director

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

CASH FLOW STATEMENT

FOR THE PERIOD ENDED 4 MAY 2010

	Notes	£	Period ended 4 May 2010 £	£	Year ended 31 July 2009 £
Net cash inflow from operating activities	20		300,203		2,663,760
Returns on investments and servicing of finance					
Interest received and other income		162,192		320,053	
Interest paid		(353,239)		(582,286)	
Net cash outflow for returns on investments and servicing of finance			(191,047)		(262,233)
Taxation			(70,000)		(505,337)
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(20,514)		(93,504)	
Receipts from sales of tangible fixed assets		1,428,005		5,908	
Net cash inflow/(outflow) for capital expenditure			1,407,491		(87,596)
Net cash inflow before financing			1,446,647		1,808,594
Financing					
Repayment of long term bank loan		(1,386,896)		(603,989)	
Net cash outflow from financing			(1,386,896)		(603,989)
Increase in cash in the period	22, 21		59,751		1,204,605

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 4 MAY 2010

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention as modified to include the revaluation of land and buildings and in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

The accounts relate to the 9 month period from 1 August 2009 to 4 May 2010. The comparatives relate to the year ended 31 July 2009.

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 4 May 2010. 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 is amortised on a straight line basis over its expected useful economic life of 10 years.

1.5 Tangible fixed assets and depreciation

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

Freehold land is not depreciated

Freehold buildings 2% - 10% Straight line

Furniture, fittings & equipment 10% - 33% Reducing balance/straight line

Motor vehicles 25% Straight line

Short leasehold improvements are depreciated over the life of the lease.

1.6 Investments

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

1.7 Stock

Stock is stated at the lower of cost and net realisable value. Cost includes an appropriate proportion of duty, freight and storage.

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

1.8 Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the accounts. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

1.9 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, except where these have been hedged, in which case, the hedged rate will be used. All differences are taken to profit and loss account.

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 4 MAY 2010

2 Turnover

The total turnover of the group for the period 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

	2010 £	2009 £
Geographical segment		
United Kingdom	36,114,701	65,192,355
Rest of Europe	-	26,688
	<u>36,114,701</u>	<u>65,219,043</u>

3 Operating profit

Operating profit is stated after charging

Depreciation of owned tangible assets

Fees payable to the group's auditor for the audit of the group's annual accounts (company
£15,000, 2009 £15,000)

	2010 £	2009 £
Depreciation of owned tangible assets	193,222	284,231
Fees payable to the group's auditor for the audit of the group's annual accounts (company £15,000, 2009 £15,000)	<u>50,000</u>	<u>56,450</u>

4 Directors' emoluments

Emoluments for qualifying services

	2010 £	2009 £
Emoluments for qualifying services	<u>249,401</u>	<u>317,442</u>

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

Emoluments for qualifying services

	2010 £	2009 £
Emoluments for qualifying services	<u>150,584</u>	<u>199,107</u>

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 4 MAY 2010

5 Employees

Number of employees

The average monthly number of employees (including directors) during the period was

	2010 Number	2009 Number
Selling and distribution	7	10
Administration	64	69
	<u>71</u>	<u>79</u>

Employment costs

	2010 £	2009 £
Wages and salaries	2,411,031	3,536,526
Social security costs	246,261	384,059
Other pension costs	-	7,294
	<u>2,657,292</u>	<u>3,927,879</u>

6 Interest payable

	2010 £	2009 £
On bank loans and overdrafts	353,239	579,496
On overdue tax	-	2,790
	<u>353,239</u>	<u>582,286</u>

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 4 MAY 2010

7	Taxation	2010 £	2009 £
	Domestic current year tax		
	U K corporation tax	-	122,667
	Adjustment for prior years	(50,468)	4,266
	Current tax charge	(50,468)	126,933
	Deferred tax		
	Origination and reversal of timing differences	6,500	-
		(43,968)	126,933
	Factors affecting the tax charge for the period		
	Profit on ordinary activities before taxation	135,312	226,928
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2009 - 28.00%)	37,887	63,540
	Effects of		
	Non deductible expenses	38,317	54,942
	Capital allowances for period in excess of depreciation	(93,439)	(14,922)
	Movement in tax losses	(88,863)	-
	Adjustments to previous periods	(50,450)	4,266
	Chargeable disposals	151,883	-
	Movements on provisions	(45,780)	19,180
	Other tax adjustments	(23)	(73)
	Current tax charge	(50,468)	126,933

The group has carried forward capital losses at 4 May 2010 of approximately £1,300,000 (2009 - £1,845,000). No deferred tax asset has been recognised in respect of these losses due to insufficient certainty over the extent and timing of its recoverability. Such an asset would be recoverable should future chargeable gains arise against which the losses can be offset. The value of the asset should all losses be fully recoverable, at a deferred tax rate of 28%, would be approximately £360,000 (2009 - £515,000).

8 Profit for the financial period

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial period is made up as follows:

	2010 £	2009 £
Holding company's profit for the financial period	1,526,705	310,606

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 4 MAY 2010

9 Intangible fixed assets

Group

	Goodwill	Trade Marks	Total
	£	£	£
Cost			
At 1 August 2009 & at 4 May 2010	2,234,181	8,807	2,242,988
Amortisation			
At 1 August 2009 & at 4 May 2010	2,234,181	8,807	2,242,988
Net book value			
At 4 May 2010	-	-	-
At 31 July 2009	-	-	-

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 4 MAY 2010

10 Tangible fixed assets

Group

	Land and buildings	Fixtures, Motor vehicles fittings & equipment	Total
	£	£	£
Cost or valuation			
At 1 August 2009	7,857,415	932,275	8,808,986
Additions	-	20,514	20,514
Disposals	(1,155,000)	-	(1,155,000)
At 4 May 2010	6,702,415	952,789	7,674,500
Depreciation			
At 1 August 2009	159,515	695,885	862,619
On disposals	(40,183)	-	(40,183)
Charge for the period	121,326	68,278	193,222
At 4 May 2010	240,658	764,163	1,015,658
Net book value			
At 4 May 2010	6,461,757	188,626	6,658,842
At 31 July 2009	7,697,900	236,390	7,946,367

The freehold land and buildings were valued at £8,325,000 on an open market basis by Messrs Edward Symmons on 17 March 2008, an independent firm of chartered surveyors. The valuation was undertaken in accordance with the Royal Institution of Chartered Surveyors Valuation Standards. The directors subsequently reduced the open market value down to £7,855,000 as at 31 July 2008 to reflect the prevailing market conditions at that date. Freehold land and buildings valued at £1,155,000 were disposed of during the period ended 4 May 2010. The directors consider the current net book value of the remaining property reflects its open market value as at 4 May 2010.

Comparable historical cost for the land and buildings included at valuation

	£
Cost	
At 1 August 2009	4,479,002
Disposals	(658,413)
At 4 May 2010	3,820,589
Depreciation based on cost	
At 1 August 2009	883,378
On disposals	(130,821)
Charge for the period	69,229
At 4 May 2010	821,786
Net book value	
At 4 May 2010	2,998,803
At 31 July 2009	3,595,624

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 4 MAY 2010

Tangible fixed assets (continued)

Company

	Land and buildings	Fixtures, Motor vehicles fittings & equipment	Total
	£	£	£
Cost or valuation			
At 1 August 2009	7,855,000	865,188	8,739,484
Additions	-	13,631	13,631
Disposals	(1,155,000)	-	(1,155,000)
At 4 May 2010	6,700,000	878,819	7,598,115
Depreciation			
At 1 August 2009	157,100	635,790	800,109
On disposals	(40,183)	-	(40,183)
Charge for the period	121,326	63,740	188,684
At 4 May 2010	238,243	699,530	948,610
Net book value			
At 4 May 2010	6,461,757	179,289	6,649,505
At 31 July 2009	7,697,900	229,398	7,939,375

The freehold land and buildings were valued at £8,325,000 on an open market basis by Messrs Edward Symmons on 17 March 2008, an independent firm of chartered surveyors. The valuation was undertaken in accordance with the Royal Institution of Chartered Surveyors Valuation Standards. The directors subsequently reduced the open market value down to £7,855,000 as at 31 July 2008 to reflect the prevailing market conditions at that date. Freehold land and buildings valued at £1,155,000 were disposed of during the period ended 4 May 2010. The directors consider the current net book value of the remaining property reflects its open market value as at 4 May 2010.

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At 4 May 2010	821,786
Net book value	
At 4 May 2010	2,998,803
At 31 July 2009	3,595,624

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 4 MAY 2010

11 Fixed asset investments

Company

	Shares in subsidiary undertakings
	£
Cost or valuation	
At 1 August 2009	25,000
Additions	1,980,000
	<hr/>
At 4 May 2010	2,005,000
	<hr/>
Net book value	
At 4 May 2010	2,005,000
	<hr/>
At 31 July 2009	25,000
	<hr/>

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

Holdings of more than 20%

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

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Clashforce Limited	England	Ordinary	100
The Tapestry Design Company Limited	England	Ordinary	100
The Nashville Corporation Limited	England	Ordinary	100
Standrate Limited	England	Ordinary	100

The principal activity of these undertakings for the last relevant financial year was as follows

	Principal activity
Clashforce Limited	Clothing
The Tapestry Design Company Limited	Clothing
The Nashville Corporation Limited	Dormant
Standrate Limited	Dormant

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 4 MAY 2010

12 Stocks

	Group 2010	2009	Company 2010	2009
	£	£	£	£
Finished goods and goods for resale	1,415,504	7,466,952	41,027	1,525,241

13 Debtors

	Group 2010	2009	Company 2010	2009
	£	£	£	£
Trade debtors	2,987,841	7,360,161	247,007	1,136,374
Amounts owed by group undertakings	-	-	323,485	524,984
Amounts owed by companies under common control	6,239,596	1,899,587	5,437,929	4,316,974
Corporation tax	204,979	103,549	204,979	103,549
Other debtors	144,104	637,917	21,186	167,470
Prepayments and accrued income	274,651	274,376	253,005	256,325
Deferred tax asset (see note 16)	66,500	73,000	58,000	66,000
	9,917,671	10,348,590	6,545,591	6,571,676

14 Creditors – amounts falling due within one year

	Group 2010	2009	Company 2010	2009
	£	£	£	£
Bank loans and overdrafts	4,233,405	6,172,191	1,906,741	1,962,607
Trade creditors	2,038,707	3,077,822	300,656	317,273
Amounts owed to group undertakings	-	-	5,000	46,130
Amounts owed to companies under common control	1,258,857	6,393,965	531,455	4,276,663
Corporation tax	55	19,093	-	-
Taxes and social security costs	158,588	437,158	83,303	154,487
Other creditors	101,148	252,739	10,773	23,909
Accruals and deferred income	736,243	615,346	613,885	598,089
	8,527,003	16,968,314	3,451,813	7,379,158

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 charge over the freehold property of the group.

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 4 MAY 2010

15 Creditors amounts falling due after more than one year

	Group 2010	2009	Company 2010	2009
	£	£	£	£
Bank loans	3,197,345	4,639,717	3,197,345	4,639,717
Analysis of loans				
Not wholly repayable within five years by instalments				
Bank loan repayable by July 2018	3,824,369	5,211,266	3,824,369	5,211,266
Included in current liabilities	(627,025)	(571,549)	(627,025)	(571,549)
	3,197,345	4,639,717	3,197,345	4,639,717
Loan maturity analysis				
Within one year	627,025	571,549	627,025	571,549
In more than one year but not more than two years	652,106	594,411	652,106	594,411
In more than two years but not more than five years	2,117,039	1,929,735	2,117,039	1,929,735
In more than five years	428,199	2,115,570	428,199	2,115,570
	3,824,369	5,211,265	3,824,369	5,211,265

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

The bank loans are secured by a first fixed charge over present and future fixed assets and a floating charge over all other assets
The bank also holds first legal charge over the freehold property owned by the company

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 4 MAY 2010

16 Provisions for liabilities

Group

Onerous lease

£

Balance at 1 August 2009

35,720

Balance at 4 May 2010

35,720

Company

Balance at 1 August 2009

35,720

Balance at 4 May 2010

35,720

The deferred tax asset (included in debtors, note 13) is made up as follows

	Group 2010 £	Company 2010 £
Balance at 1 August 2009	(73,000)	(66,000)
Profit and loss account	6,500	8,000
Balance at 4 May 2010	(66,500)	(58,000)

Deferred tax is provided at 28% (2008 - 28%) analysed over the following timing differences

	Group 2010 £	2009 £	Company 2010 £	2009 £
Decelerated capital allowances	(66,500)	(73,000)	(58,000)	(66,000)

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 4 MAY 2010

17	Share capital	2010	2009
		£	£
	Allotted, called up and fully paid		
	9,998 Ordinary shares of £1 each	9,998	9,998
	4,455,000 Preference shares of £1 each	4,455,000	4,455,000
		<u>4,464,998</u>	<u>4,464,998</u>

18 Statement of movements on reserves Group

	Revaluation reserve	Other reserves	Profit and loss account
	£	£	£
Balance at 1 August 2009	4,042,841	467,775	(99,777)
Profit for the period	-	-	179,280
Transfer from revaluation reserve to profit and loss account	(587,225)	-	587,225
Depreciation written back	(52,097)	-	52,097
Balance at 4 May 2010	<u>3,403,519</u>	<u>467,775</u>	<u>718,825</u>

Company

	Revaluation reserve	Other reserves	Profit and loss account
	£	£	£
Balance at 1 August 2009	4,042,841	467,775	(1,946,074)
Profit for the period	-	-	1,526,705
Transfer from revaluation reserve to profit and loss account	(587,225)	-	587,225
Depreciation written back	(52,097)	-	52,097
Balance at 4 May 2010	<u>3,403,519</u>	<u>467,775</u>	<u>219,953</u>

19 Reconciliation of movements in shareholders' funds Group

	2010	2009
	£	£
Profit for the financial period	179,280	99,995
Opening shareholders' funds	8,875,837	8,775,842
Closing shareholders' funds	<u>9,055,117</u>	<u>8,875,837</u>

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 4 MAY 2010

20	Reconciliation of operating profit to net cash inflow from operating activities	2010	2009		
		£	£		
	Operating profit	13,171	489,161		
	Depreciation of tangible fixed assets	193,222	284,231		
	Decrease in stocks	6,051,448	2,792,484		
	Decrease in debtors	525,849	6,000,808		
	Decrease in creditors	(6,483,487)	(6,902,924)		
	Net cash inflow from operating activities	300,203	2,663,760		
21	Reconciliation of net cash flow to movement in net debt	2010	2009		
		£	£		
	Increase in cash in the period	59,751	1,204,605		
	Repayment of long term bank loan	1,386,896	603,989		
	Movement in net debt in the period	1,446,647	1,808,594		
	Opening net debt	(6,054,229)	(7,862,823)		
	Closing net debt	(4,607,582)	(6,054,229)		
22	Analysis of net debt	1 August 2009	Cash flow	Other non-cash changes	4 May 2010
		£	£	£	£
	Net cash				
	Cash at bank and in hand	4,757,679	(1,934,511)	-	2,823,168
	Bank overdrafts	(5,600,642)	1,994,262	-	(3,606,380)
			59,751		
	Debt				
	Debts falling due within one year	(571,549)	529,396	(584,872)	(627,025)
	Debts falling due after one year	(4,639,717)	857,500	584,872	(3,197,345)
			1,386,896		
	Net debt	(6,054,229)	1,446,647	-	(4,607,582)

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 4 MAY 2010

23 Contingent liabilities

The group companies are party to group and related party cross guarantee arrangement whereby the bank borrowings of all group companies and a related company are secured by a charge over the groups present and future assets. The maximum borrowings of the group under this arrangement is £16,500,000 (2009 £16,500,000)

At 04 May 2010, the group's maximum potential liability under this arrangement was £6,500,000 (2009 £6,451,747)

At 04 May 2010, the company's maximum potential liability under this arrangement was £6,500,000 (2009 £9,033,489)

24 Related party transactions

Included within other creditors is an amount of £2,747 (2009 £12,577) owed to R. Caring. R. Caring is a director of International Clothing Designs (Holdings) Limited.

The Group's bank facility is underwritten by a personal guarantee from R. Caring.

During the period, purchases of £244,499 (2009 £1,105,483) were made from and miscellaneous charges totalling £34,943 (2009 £46,062) were made to Associated Clothing Company (Hong Kong) Limited, who at the period-end were owed £90,545 (2009 £324,103) by the group.

During the period, interest of £110,605 (2009 £166,192) was charged to, interest of £65,887 (2009 £150,204) charged by and purchases of £1,528,013 (2009 £6,674,016) were made from International Garment Sourcing (Holdings) Limited, who owed the group net £4,750,170 (2009 £1,899,235) at the period-end.

During the period, purchases of £1,637,361 (2009 £13,235,962) were made from and commission and miscellaneous charges of £873,333 (2009 £868,772) were made to C&S Productions Limited. At the period end £440,910 (2009 £3,952,560) was owed to this company.

During the period, purchases of £4,618,017 (2009 £8,387,612) were made from Tapestry Taiwan Limited. In addition, interest of £52,008 (2009 £72,876) was charged to Tapestry Taiwan Limited. At the period end, £801,667 was owed from this company (2009 £2,117,302 owed to).

At the period-end, the group were owed £20,300 (£2009 £nil) from Jeamland Limited.

All of the abovementioned companies are entities under common control.

25 Controlling parties

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 Richard Caring.