

Company Registration No 01599377 (England and Wales)

UK FASHION AND TEXTILE ASSOCIATION LTD
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

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UK FASHION AND TEXTILE ASSOCIATION LTD

COMPANY INFORMATION

Directors

P Lucas
S Berwin
A Constantinou
Mrs B J Dickson OBE
N J Lugg
W Macbeth OBE
S McGuffie
J H Miln
K C Scates
M Simpson
M L F Strzelecki

Secretary

J H Miln

Company number

01599377

Registered office

3 Queen Square
London
WC1N 3AR

Independent Auditors

PricewaterhouseCoopers LLP
Gatwick

Business address

3 Queen Square
London
WC1N 3AR

The Office of President was held by HRH The Princess Royal

The Office of Honorary Vice President was held jointly by N F Sussman CBE, D Litt, J McAdam CBE and T D Parr CBE

The Office of Chairman was held by P Lucas

The Office of Deputy Chairman was held jointly by S Berwin and NJ Lugg

The Office of Treasurer was held by S McGuffie

UK FASHION AND TEXTILE ASSOCIATION LTD

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UK FASHION AND TEXTILE ASSOCIATION LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

The directors present their report and financial statements for the year ended 31 December 2012

Principal activities, review of business and future developments

The principal activity of the Association is to encourage, promote, develop and protect the clothing and textile industries of the United Kingdom in all its constituent parts

The results for the year are set out in the profit and loss account and show a loss after taxation for the year of £481,538 (2011 - loss of £450,817)

During the course of the year the directors undertook a strategic review of the Association's activities. This review resulted in a number of difficult decisions being taken by the Board to ensure the Association's activities remain relevant to its members. As a result of the above and the process to reshape the business £51,211 of exceptional non-recurring operating costs have been incurred in relation to redundancy payments. The operating loss before these exceptional costs was £448,950 for the year (2011 - £474,379) and represented an improvement of 5%. The operating loss for the year was £500,161 (2011 - £474,379). This result was in line with forecasts and projections and, following the actions taken during the current year, the directors expected to see an improvement in the operating performance of the Association during the next financial year with a return to operating profits in the short to medium term.

The directors continue to focus on the strength of the Association's balance sheet and during the year, as a result of favourable market conditions, the directors took the decision to dispose of the majority of the Association's fixed asset investment. The disposal resulted in the Association realising cash proceeds of £558,729 and an improved net current asset position, it also ensures that the Association has sufficient liquid funds available to see through the Association's plans for the foreseeable future. The Association remains free from any indebtedness and members' funds continue to be in excess of the Board's target of £6m.

Results and dividends

The results for the year are set out on page 5

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were, unless otherwise stated

P Lucas

S Berwin

A Constantinou

(Appointed 23 February 2012)

Mrs B J Dickson OBE

N J Lugg

W Macbeth OBE

S McGuffie

J H Miln

K C Scates

M Simpson

M L F Strzelecki

Auditors

A resolution to reappoint PricewaterhouseCoopers LLP as auditors of the company will be proposed at the next annual general meeting

UK FASHION AND TEXTILE ASSOCIATION LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONTINUED)

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 prepared 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 profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent and,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure to auditors

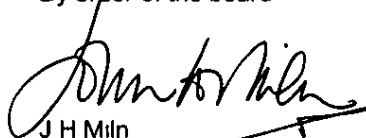
So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

Qualifying third party indemnity provisions

A qualifying third party indemnity provision was in force for the benefit of one or more directors during the financial year.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

By order of the board



J H Miln

Secretary

16 May 2013

UK FASHION AND TEXTILE ASSOCIATION LTD

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF UK FASHION AND TEXTILE ASSOCIATION LTD

We have audited the financial statements of UK Fashion and Textile Association Ltd for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Accounting Policies and the related notes. 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).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 and express an opinion on 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 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. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

UK FASHION AND TEXTILE ASSOCIATION LTD

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF UK FASHION AND TEXTILE ASSOCIATION LTD (CONTINUED)

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, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report



Michael Jones (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Gatwick

16 May 2013

UK FASHION AND TEXTILE ASSOCIATION LTD

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 £	2011 £
Turnover	2	751,075	902,435
Administrative expenses		(1,220,882)	(1,425,431)
Exceptional administrative expenses	3	(51,211)	-
Other operating income		20,857	48,617
Operating loss	3	(500,161)	(474,379)
Operating loss before exceptional administrative expenses		(448,950)	(474,379)
Income/(expenses) from other fixed asset investments	4	6,819	(3,071)
Loss on ordinary activities before interest and taxation		(493,342)	(477,450)
Other interest receivable and similar income	5	11,804	26,633
Loss on ordinary activities before taxation		(481,538)	(450,817)
Tax on loss on ordinary activities	6	-	-
Loss for the financial year	13	(481,538)	(450,817)

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

UK FASHION AND TEXTILE ASSOCIATION LTD

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2012

	2012 £	2011 £
Loss for the financial year	(481,538)	(450,817)
Unrealised surplus/(deficit) on fixed asset investment	23,193	(63,343)
Total recognised losses relating to the year	<u>(458,345)</u>	<u>(514,160)</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

	2012 £	2011 £
Reported loss on ordinary activities before taxation	(481,538)	(450,817)
Difference between an historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	-	2,325
Historical cost loss on ordinary activities before taxation	<u>(481,538)</u>	<u>(448,492)</u>
Historical cost loss for the year retained after taxation	<u>(481,538)</u>	<u>(448,492)</u>

UK FASHION AND TEXTILE ASSOCIATION LTD

BALANCE SHEET

AS AT 31 DECEMBER 2012

	Notes	2012 £	£	2011 £	£
Fixed assets					
Tangible assets	7 and 8	5,715,184		5,778,946	
Investments	9	12,890		541,608	
		<u>5,728,074</u>		<u>6,320,554</u>	
Current assets					
Debtors	10	301,770		121,685	
Cash at bank and in hand		<u>1,202,452</u>		<u>1,025,692</u>	
		1,504,222		1,147,377	
Creditors amounts falling due within one year	11	<u>(1,040,694)</u>		<u>(817,984)</u>	
Net current assets		<u>463,528</u>		<u>329,393</u>	
Total assets less current liabilities		<u>6,191,602</u>		<u>6,649,947</u>	
Members' funds					
Revaluation reserve	13	-		238,807	
Profit and loss account	13	<u>6,191,602</u>		<u>6,411,140</u>	
Total members' funds	14	<u>6,191,602</u>		<u>6,649,947</u>	

The financial statements on pages 5 to 16 were approved by the Board of directors on 16 May 2013 and signed on its behalf by


P Lucas
Chairman

Company Registration No. 01599377

UK FASHION AND TEXTILE ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

1 Accounting policies

1.1 Accounting convention

These financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards in the United Kingdom except for compliance with SSAP19 'Accounting for investment properties', which requires departure from the requirements of the Companies Act 2006 relating to depreciation and an explanation of the departure is given in the accounting policy note relating to tangible fixed assets below. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of preparation

These financial statements have been prepared on a going concern basis. Based on forecast projections for the foreseeable future the directors consider this basis of preparation appropriate to meet its liabilities as and when they fall due and for a minimum period of twelve months from the date of the approval of these financial statements.

Cash flow statement

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Turnover

The company generates income from subscriptions, events, secretariat services and the organisation of the climate change levy scheme.

Membership subscriptions are taken into income in the year to which they relate. Amounts received by the balance sheet date in respect of future years are deferred.

Income generated from secretariat services are taken into income in the year to which the service relates.

Climate change levy income is taken at the point of the invoice being raised and any income in respect of future years are deferred.

Export activities and other events are taken into income in the year to which they relate. Amounts received by the balance sheet date in respect of future years are deferred.

All income is derived from UK operations.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets (except investment property) are stated at historic purchase price less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for intended use. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	Straight line over 40 years
Fixtures, fittings & equipment	Straight line over 4 years

The part of the annual depreciation charge on revalued assets which relates to the revaluation surplus is transferred from the revaluation reserve to the profit and loss account.

UK FASHION AND TEXTILE ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONTINUED)

1 Accounting policies

(continued)

In accordance with SSAP19, investment properties are revalued and the aggregate surplus or deficit is transferred to a revaluation reserve, and no depreciation or amortisation is provided in respect of freehold investment properties. The requirement of the Companies Act 2006 is to depreciate all properties, but that requirement conflicts with the generally accepted accounting principle set out in SSAP19. The directors consider that, as these properties are not held for consumption but for investment, to depreciate them would not give a true and fair view, and that it is necessary to adopt SSAP19 in order to give a true and fair view.

1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Investments

Fixed asset investments are shown at open market value and any surplus is credited to a revaluation reserve. Any temporary diminution in value is taken to the revaluation reserve. Any permanent diminution in value is written off through the profit and loss account.

Rental income is included in other interest receivable and similar income on the face of the profit and loss account. All rental agreements are operating leases. The rental income is recognised on a straight line basis over the period of the lease.

1.6 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.7 Deferred taxation

Deferred taxation has been recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in future, or a right to pay less taxation in future. A deferred tax asset is only recognised when it is more likely than not that the asset will be recoverable in the foreseeable future out of suitable taxable profits from which the underlying timing differences can be deducted. Deferred tax assets and liabilities recognised have not been discounted.

No deferred tax is provided on timing differences arising in relation to the revaluation of non-monetary assets unless by the balance sheet date, a binding commitment to sell the asset has been entered into and it is unlikely that any gain will be rolled over. No such contract existed at 31 December 2012.

UK FASHION AND TEXTILE ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONTINUED)

2 Turnover

	Turnover	
	2012	2011
	£	£
Class of business		
Subscription income	189,639	151,996
Events income	39,482	69,853
Secretariat income	60,527	64,221
Climate change levy income	89,681	160,270
Export activities income	371,746	456,095
	<u>751,075</u>	<u>902,435</u>

3 Operating loss

	2012	2011
	£	£
Operating loss is stated after charging		
Depreciation of owned tangible fixed assets	72,713	71,196
Operating lease rentals		
- Plant and machinery	7,909	7,631
Fees payable for audit	10,321	25,000
Fees payable for other services	-	9,000
	<u></u>	<u></u>

Exceptional administrative expenses comprise restructuring costs of £51,211 (2011 - £nil)

4 Income/(Expenses) from other fixed asset investments

	2012	2011
	£	£
Income from other fixed asset investments	<u>6,819</u>	<u>(3,071)</u>

5 Other interest receivable and similar income

	2012	2011
	£	£
Interest receivable	<u>11,804</u>	<u>26,633</u>

UK FASHION AND TEXTILE ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONTINUED)

6	Taxation	2012	2011
	Total current tax	-	-
	The tax for the year differs from the standard rate of corporation tax in the UK 24 50% (2011 - 26 50%) The differences are explained below		
	Loss on ordinary activities before taxation	(481,538)	(450,817)
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24 50% (2011 - 26 50%)	(117,977)	(119,467)
	Effects of		
	Expenses not deductible for tax purposes	365	5,258
	Accelerated capital allowances and other timing differences	(2,171)	(10,702)
	Tax losses carried forward	119,783	124,911
		117,977	119,467
	Current tax charge for the year	-	-

Factors affecting tax charge for the year

The Finance Act 2012, which was substantially enacted on 17 July 2012, includes legislation reducing the main rate of corporation tax from 25% to 24% from 1 April 2012, and then reducing this to 23% from 1 April 2013 and to 21% from 1 April 2014. A further change is proposed to reduce the rate to 20% from 1 April 2015, this further reduction has not been recognised in these Financial Statements but is expected to lead to a non-material reduction in the value at which the deferred tax liability will be realised.

The company has estimated losses of £4,316,010 (2011 - £3,890,990) available for carry forward against future trading profits from the same trade.

UK FASHION AND TEXTILE ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONTINUED)

7 Tangible assets

	Land and buildings Leasehold £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 January 2012	2,355,500	59,987	2,415,487
Additions	8,344	608	8,952
	<u>2,363,844</u>	<u>60,595</u>	<u>2,424,439</u>
At 31 December 2012			
Accumulated depreciation			
At 1 January 2012	82,313	21,896	104,209
Charge for the year	59,067	13,646	72,713
	<u>141,380</u>	<u>35,542</u>	<u>176,922</u>
At 31 December 2012			
Net book value			
At 31 December 2012	<u>2,222,464</u>	<u>25,053</u>	<u>2,247,517</u>
At 31 December 2011	<u>2,273,188</u>	<u>38,091</u>	<u>2,311,279</u>

8 Tangible fixed assets

	Investment properties £
Cost	
At 1 January 2012 & at 31 December 2012	<u>3,467,667</u>
Net book value	
At 31 December 2012	<u>3,467,667</u>
At 31 December 2011	<u>3,467,667</u>

UK FASHION AND TEXTILE ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONTINUED)

9 Fixed asset investments

	Unlisted investments £
At 1 January 2012	541,608
Revaluation	23,193
Disposals	(551,911)
	<hr/>
At 31 December 2012	12,890
	<hr/>

The securities in the portfolio are listed on recognised investment exchanges. The directors consider the value of the investments to be supported by their underlying assets. The total profit on disposal recognised in the profit and loss is £6,819 (2011 - £3,071 loss).

10 Debtors	2012 £	2011 £
Trade debtors	160,749	47,393
Other debtors	15,360	1,379
Prepayments and accrued income	125,661	72,913
	<hr/>	<hr/>
	301,770	121,685
	<hr/>	<hr/>

11 Creditors: amounts falling due within one year	2012 £	2011 £
Trade creditors	321,659	147,530
Corporation tax	572,342	572,342
Other taxes and social security costs	32,853	16,664
Accruals and deferred income	113,840	81,448
	<hr/>	<hr/>
	1,040,694	817,984
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UK FASHION AND TEXTILE ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONTINUED)

12 Pension and other post-retirement benefit commitments Defined contribution

	2012 £	2011 £
Contributions payable by the company for the year	<u>32,533</u>	<u>40,083</u>

13 Statement of movements on reserves

	Revaluation reserve £	Profit and loss account £
Balance at 1 January 2012	238,807	6,411,140
Loss for the year	-	(481,538)
Transfer from revaluation reserve to profit and loss account	(262,000)	262,000
Revaluation during the year	<u>23,193</u>	<u>-</u>
Balance at 31 December 2012	<u>-</u>	<u>6,191,602</u>

14 Reconciliation of movements in members' funds

	2012 £	2011 £
Loss for the financial year	(481,538)	(450,817)
Other recognised gains and losses	<u>23,193</u>	<u>(63,343)</u>
Net depletion in members' funds	(458,345)	(514,160)
Opening members' funds	<u>6,649,947</u>	<u>7,164,107</u>
Closing members' funds	<u>6,191,602</u>	<u>6,649,947</u>

UK FASHION AND TEXTILE ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONTINUED)

15 Financial commitments

At 31 December 2012 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2013

	Other 2012 £	2011 £
Operating leases which expire		
Within one year	5,785	-
Between two and five years	-	7,631
	<u>5,785</u>	<u>7,631</u>

16 Directors' remuneration

	2012 £	2011 £
Remuneration for qualifying services	<u>100,000</u>	<u>111,683</u>

17 Employees

Number of employees

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

	2012 Number	2011 Number
Administration	<u>10</u>	<u>10</u>

Employment costs

	2012 £	2011 £
Wages and salaries	496,388	556,338
Social security costs	46,724	52,419
Other pension costs	32,533	40,083
	<u>575,645</u>	<u>648,840</u>

18 Ultimate parent undertaking

In the opinion of the directors, the members of the company, by acting in concert, ultimately control the company

UK FASHION AND TEXTILE ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONTINUED)

19 Limit of liability

The liability of the members is limited by guarantee to £1 each

20 Related party relationships and transactions

The Association has received consultancy services from Lisa Berwin Communications Limited totalling £28,810 (2011 - £nil) during the year. Lisa Berwin, who is a director of Lisa Berwin Communications Limited is the daughter of S Berwin, a director of UK Fashion and Textile Association Ltd. The amount outstanding at the year end was £nil (2011 - £nil).