

Company Registration No. 01599377 (England and Wales)

UK FASHION AND TEXTILE ASSOCIATION LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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UK FASHION AND TEXTILE ASSOCIATION LTD

COMPANY INFORMATION

Directors	Mr A Constantinou Mrs B J Dickson OBE Mr N J Lugg Mr W Macbeth OBE Mr S McGuffie Mr M L F Strzelecki Mr R S A Hurlley Mr A Mansell Mrs L K Hills Mr I C McLean Mr D Breckenridge Mr S C Carter	(Appointed 1 January 2016)
Secretary	Mr A Mansell	
Company number	01599377	
Registered office	3 Queen Square London WC1N 3AR	
Auditors	PKF Littlejohn LLP Statutory Auditor Canary Wharf London E14 4HD	
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 by P Lucas
The Office of Chairman was held by N J 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 2016

The directors present their annual report and financial statements for the year ended 31 December 2016.

Principal activities

The principal activity of UK Fashion and Textile Association Ltd (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 set out in the profit and loss account, show a profit before taxation for the year of £6,954 (2015 - £249,430) with total comprehensive income of £(4,381) (2015 - £659,571).

In 2016 the Association recorded an operating profit of £10,037, this is a very significant turnaround for the organisation which in 2015 recorded an operating loss of £223,379.

The landscape of the sector is changing and this, coupled with the unknown impact of the vote to leave the EU, means that the Association and its priorities need to change and adapt. The Director's focus remains on growing the business and its activities in 2017 on the back of the much improved operating performance in 2016.

Remaining central to the Association's business plan is the delivery of the a highly attractive membership offer to the industry, to significantly increase the Association's role in skills and training, to continue to raise the profile of UKFT to our stakeholders and to maximise the commercial benefits of these relationships.

UKFT is now more contemporary and relevant in its overall approach and every effort will be made to continue this progress throughout 2017. In 2016 overall membership numbers remained constant but membership income from the Retail Partner Programme grew by 53%. Increasing engagement through seminars and networking (with a particular focus on delivering these events outside of London), a continued focus on the promotion of the UK manufacturing sector, a robust dialogue with Government particularly on support for our sectors exports and in representing the needs of the industry with regards to leaving the EU, lead the Directors' to expect the Association to continue its growth for the foreseeable future.

The strength of the Balance Sheet and the retention of liquid funds underpin the Director's guidance of the business. The value of members' funds as at the end of 2016 has increased further since 2015. In addition, the Association retains sufficient funds to see through their plans for the foreseeable future. Importantly, the Association remains and intends to remain, unencumbered by debt or borrowing.

Directors

The directors during the year and up to the date of approval of these financial statements were, unless otherwise stated:

Mr J H Miln (Resigned 1 January 2016)

Mr A Constantinou

Mrs B J Dickson OBE

Mr N J Lugg

Mr W Macbeth OBE

Mr S McGuffie

Mr M L F Strzelecki

Mr R S A Hurtley

Mr A Mansell

(Appointed 1 January 2016)

Mrs L K Hills

Mr I C McLean

Mr D Breckenridge

Mr S C Carter

Results and dividends

The results for the year are set out on page 6.

UK FASHION AND TEXTILE ASSOCIATION LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

Auditor

In accordance with the company's articles, a resolution proposing that PKF Littlejohn LLP be reappointed as auditor of the company will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually 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 auditor is aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and the Company is therefore exempt from the requirement to prepare a Strategic Report.

On behalf of the board

.....
Mr A Mansell
Director

25 MAY 2017

UK FASHION AND TEXTILE ASSOCIATION LTD

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors are responsible for preparing the annual 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 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.

UK FASHION AND TEXTILE ASSOCIATION LTD

INDEPENDENT AUDITOR'S 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 2016 which comprise the Profit And Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows 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), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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.

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 annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2016 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 matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Directors' Report has been prepared in accordance with applicable legal requirements.

UK FASHION AND TEXTILE ASSOCIATION LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF UK FASHION AND TEXTILE ASSOCIATION LTD

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; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.



Eric Hindson FCA (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP

25 MAY 2017
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Statutory Auditor

1 Westferry Circus
Canary Wharf
London
E14 4HD

UK FASHION AND TEXTILE ASSOCIATION LTD

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2016

		2016 £	2015 £
Turnover	Notes 3	955,365	1,161,070
Administrative expenses		(1,240,299)	(1,549,236)
Other operating income	3	294,971	164,787
Operating profit/(loss)	4	10,037	(223,379)
Interest receivable and similar income	7	1,026	1,317
Interest payable and similar expenses	8	(4,109)	-
Amounts written off investments	9	-	(11,508)
Fair value gains and losses on investment properties	12	-	483,000
Profit before taxation		6,954	249,430
Taxation	10	(11,335)	-
(Loss)/profit for the financial year		<u>(4,381)</u>	<u>249,430</u>

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 COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	2015 £
(Loss)/profit for the year		(4,381)	249,430
Other comprehensive Income			
Revaluation of tangible fixed assets	11	-	410,141
Total comprehensive income for the year		<u>(4,381)</u>	<u>659,571</u>


UK FASHION AND TEXTILE ASSOCIATION LTD

BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	11	2,646,189		2,657,480	
Investment properties	12	3,981,000		3,981,000	
		<u>6,627,189</u>		<u>6,638,480</u>	
Current assets					
Debtors	14	320,619		273,756	
Cash at bank and in hand		733,352		712,354	
		<u>1,053,971</u>		<u>986,110</u>	
Creditors: amounts falling due within one year	15	(617,219)		(556,268)	
Net current assets		<u>436,752</u>		<u>429,842</u>	
Total assets less current liabilities		<u>7,063,941</u>		<u>7,068,322</u>	
Capital and reserves					
Revaluation reserve	18	605,696		605,696	
Profit and loss reserves	19	6,458,245		6,462,626	
Total equity		<u>7,063,941</u>		<u>7,068,322</u>	

The financial statements were approved by the board of directors and authorised for issue on 25 MAY 2017 and are signed on its behalf by:


 Mr N J Lugg
 Director

Company Registration No. 01599377

UK FASHION AND TEXTILE ASSOCIATION LTD

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2015	195,555	6,213,196	6,408,751
Year ended 31 December 2015:			
Profit for the year	-	249,430	249,430
Other comprehensive income:			
Revaluation of tangible fixed assets	410,141	-	410,141
Total comprehensive income for the year	410,141	249,430	659,571
Balance at 31 December 2015	605,696	6,462,626	7,068,322
Year ended 31 December 2016:			
Profit and total comprehensive income for the year	-	(4,381)	(4,381)
Balance at 31 December 2016	605,696	6,458,245	7,063,941

UK FASHION AND TEXTILE ASSOCIATION LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	23		82,384		(70,504)
Interest paid			(4,109)		-
Net cash inflow/(outflow) from operating activities			78,275		(70,504)
Investing activities					
Purchase of tangible fixed assets		(58,303)		(29,162)	
Interest received		1,026		1,317	
Net cash used in investing activities			(57,277)		(27,845)
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			20,998		(98,349)
Cash and cash equivalents at beginning of year			712,354		810,703
Cash and cash equivalents at end of year			733,352		712,354
Relating to:					
Cash at bank and in hand			733,352		712,354

UK FASHION AND TEXTILE ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company Information

UK Fashion and Textile Association Ltd is a limited company domiciled and incorporated in England and Wales. The registered office is 3 Queen Square, London, WC1N 3AR.

1.1 Accounting convention

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

These financial statements have been prepared on a going concern basis. Based on forecasts and 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.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

The company generates income from subscriptions, export activities and other 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.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets (except investment property) are stated at historic purchase price or valuation 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 or valuation less estimated residual value of each asset over its expected useful life, as follows:

Buildings; long leasehold
Fixtures, fittings & equipment

Straight line over 40 years
Straight line over 4 years

UK FASHION AND TEXTILE ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

UK FASHION AND TEXTILE ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

UK FASHION AND TEXTILE ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

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 considered 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.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

UK FASHION AND TEXTILE ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical Judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Depreciation

The company exercises judgement to determine useful lives and residual values of property, plant and equipment. The assets are depreciated down to their residual values over their estimated useful lives.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2016 £	2015 £
Class of Business		
Subscriptions income	332,391	337,232
Events income	113,574	323,677
Secretariat income	31,000	31,000
Climate change levy income	155,373	148,409
Export activities income	323,027	320,752
	<u>955,365</u>	<u>1,161,070</u>

UK FASHION AND TEXTILE ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

3 Turnover and other revenue (Continued)

Other significant revenue		
Rental income	294,971	164,787

Turnover analysed by geographical market

	2016 £	2015 £
United Kingdom	955,365	1,161,070

4 Operating profit/(loss)

Operating profit/(loss) for the year is stated after charging/(crediting):

	2016 £	2015 £
Fees payable to the company's auditor for the audit of the company's financial statements	8,212	8,000
Depreciation of owned tangible fixed assets	69,594	61,330
Operating lease charges	4,886	4,886

5 Employees

The average monthly number of persons employed by the company during the year was:

	2016 Number	2015 Number
Administration	7	8

The average numbers reported includes 1 director who is remunerated as the CEO of the company.

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	509,996	478,787
Social security costs	51,081	41,693
Pension costs	30,511	26,849
	591,588	547,329

Redundancy payments in the year amount to £26,000 (2015 - £48,827) which are not included in the above.

UK FASHION AND TEXTILE ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

6	Directors' remuneration	2016	2015
		£	£
	Remuneration for qualifying services	135,650	109,380
		<u> </u>	<u> </u>
7	Interest receivable and similar income	2016	2015
		£	£
	Interest income		
	Interest on bank deposits	1,026	1,317
		<u> </u>	<u> </u>
	Investment income includes the following:		
	Interest on financial assets not measured at fair value through profit or loss	1,026	1,317
		<u> </u>	<u> </u>
8	Interest payable and similar expenses	2016	2015
		£	£
	Other finance costs:		
	Other interest	4,109	-
		<u> </u>	<u> </u>
		4,109	-
		<u> </u>	<u> </u>
9	Amounts written off investments	2016	2015
		£	£
	Other gains and losses	-	(11,508)
		<u> </u>	<u> </u>
10	Taxation	2016	2015
		£	£
	Current tax		
	UK corporation tax on profits for the current period	11,335	-
		<u> </u>	<u> </u>
	Total tax charge	11,335	-
		<u> </u>	<u> </u>

UK FASHION AND TEXTILE ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

10 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2016 £	2015 £
Profit before taxation	6,954	249,430
Expected tax charge based on a corporation tax rate of 20.00% (2015 - 20.00%)	1,391	49,886
Tax effect of expenses that are not deductible in determining taxable profit	3,105	3,399
Unutilised tax losses carried forward	-	32,376
Permanent capital allowances in excess of depreciation	6,839	8,725
Effect of revaluations of Investments	-	(94,298)
Other non-reversing timing differences	-	(88)
Tax expense for the year	11,335	-

The company has estimated losses of £4,899,262 (2015 - £4,899,262) available for carry forward against future trading profits from the fashion trade. The value of these losses at the future 20% tax rate is £979,852 (2015 - £979,852), however, the directors believe that the asset should not be recognised as the criteria for recognition has not been met.

The taxation that would be payable if the company's investment property was sold at the revalued amount at the balance sheet date is £nil (2015 - £nil) and as such no deferred taxation has been provided (2015 - £nil).

UK FASHION AND TEXTILE ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

11 Tangible fixed assets

	Buildings; long leasehold £	Fixtures, fittings & equipment £	Total £
Cost or valuation			
At 1 January 2016	2,654,000	62,787	2,716,787
Additions	58,303	-	58,303
At 31 December 2016	2,712,303	62,787	2,775,090
Depreciation and impairment			
At 1 January 2016	-	59,307	59,307
Depreciation charged in the year	67,545	2,049	69,594
At 31 December 2016	67,545	61,356	128,901
Carrying amount			
At 31 December 2016	2,644,758	1,431	2,646,189
At 31 December 2015	2,654,000	3,480	2,657,480

The valuation of the leasehold land and building was made as at 31 December 2016 by the directors.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2016 £	2015 £
Cost	2,367,342	2,367,342
Accumulated depreciation	(378,116)	(318,932)
Carrying value	1,989,226	2,048,410

12 Investment property

	2016 £
Fair value	
At 1 January 2016 and 31 December 2016	3,981,000

Investment property comprises three self contained floors of offices. The fair value of the investment property has been made by the directors. The last independent valuation was carried out as at 31 December 2015 at £3,981,000 by Messrs Flude Commercial, Chartered Surveyors, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

UK FASHION AND TEXTILE ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

12 Investment property

(Continued)

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2016 £	2015 £
Cost	3,467,667	3,467,667
Accumulated depreciation	-	-
Carrying amount	<u>3,467,667</u>	<u>3,467,667</u>

13 Financial Instruments

	2016 £	2015 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	<u>223,099</u>	<u>131,508</u>

Financial assets measured at amortised cost comprise trade debtors.

	2016 £	2015 £
Carrying amount of financial liabilities		
Measured at amortised cost	<u>155,516</u>	<u>275,733</u>

Financial liabilities measured at amortised cost comprise trade creditors and other creditors.

14 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	223,099	131,507
Other debtors	47,308	27,653
Prepayments and accrued income	50,212	114,596
	<u>320,619</u>	<u>273,756</u>

15 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	88,292	55,512
Corporation tax payable	11,335	-
Other taxation and social security	47,962	13,102
Accruals and deferred income	469,630	487,654
	<u>617,219</u>	<u>556,268</u>

UK FASHION AND TEXTILE ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

16 Members' liability

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £1.

17 Retirement benefit schemes

	2016 £	2015 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	30,511	26,849

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

18 Revaluation reserve

The revaluation reserve represents all surpluses created upon the revaluation of the property.

19 Profit and loss reserves

The profit and loss account represents all current and prior period retained profits and losses.

20 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016 £	2015 £
Within one year	3,672	3,672
Between two and five years	306	3,978
	3,978	7,650

21 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2016 £	2015 £
Aggregate compensation	237,822	200,033

UK FASHION AND TEXTILE ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

21 Related party transactions

(Continued)

No guarantees have been given or received.

The Association paid £nil (2015 - £5,000) to Meet the Manufacturer Limited, a company of which Mrs L K Hills is a director. The amount outstanding at the year end was £nil (2015 - £nil).

22 Controlling party

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

23 Cash generated from operations

	2016 £	2015 £
(Loss)/profit for the year	(4,381)	249,430
Adjustments for:		
Income tax expense	11,335	-
Finance costs	4,109	-
Investment income	(1,026)	(1,317)
Fair value gains and losses on foreign exchange contracts and investment properties	-	(483,000)
Depreciation and impairment of tangible fixed assets	69,594	61,330
Amounts written off investments	-	11,508
Movements in working capital:		
(Increase) in debtors	(46,863)	(2,233)
Increase in creditors	49,616	93,778
Cash generated from/(absorbed by) operations	<u>82,384</u>	<u>(70,504)</u>