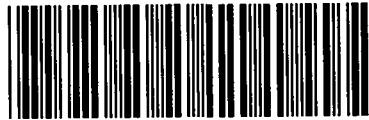


Company Registration No. 01599377 (England and Wales)

**UK FASHION AND TEXTILE ASSOCIATION LTD**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

SATURDAY



\*A3FTQWWI\*

A26

06/09/2014

#99

COMPANIES HOUSE

# UK FASHION AND TEXTILE ASSOCIATION LTD

## COMPANY INFORMATION

---

**Directors**

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

**Secretary**

Mr J H Miln

**Company number**

01599377

**Registered office**

3 Queen Square  
London  
WC1N 3AR

**Auditors**

PricewaterhouseCoopers LLP

**Business address**

3 Queen Square  
London  
WC1N 3AR

The Office of President was held by HRH The Princess Royal

The Office of Chairman was held by P Lucas

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

The Office of Treasurer was held by S McGuffie

---

# **UK FASHION AND TEXTILE ASSOCIATION LTD**

## **CONTENTS**

---

	<b>Pages</b>
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Statement of total recognised gains and losses	6
Balance sheet	7
Notes to the financial statements	8 - 19

---

# **UK FASHION AND TEXTILE ASSOCIATION LTD**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2013**

---

The directors present their report and financial statements for the year ended 31 December 2013.

#### **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 £409,993 (2012 - loss of £481,538).

During the course of the year the directors implemented the strategic decisions taken in 2012 and additionally in 2013. As a result the operating loss before exceptional costs improved by over 5%. Following further actions taken during the latter part of 2013, the directors expect 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. As a result of the brand recognition delivered through the new Awards event together with significantly improved articulation of the benefits to membership and their involvement in the Association's activities, the membership grew by 42%. The directors view the progress made in 2013 in this regard to be a material factor in predicting continued growth in 2014.

The directors continue to focus on the strength of the Association's balance sheet and during the year, in accordance with internal policy, the directors instructed a professional valuation of the Association's real estate. This resulted in the Association recognising a £195,555 unrealised surplus on this revaluation. Furthermore as at 31 December 2013, the Association subsumed the members' funds of HLCC and BNFA in order to enhance income streams from these acquisitions and to consolidate knowledge and reach within the sector. The Association continues to have sufficient liquid funds to see through the Association's plans for the foreseeable future and remains unencumbered.

#### **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, as follows:

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

(Appointed 21 November 2013)

#### **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 2013 (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

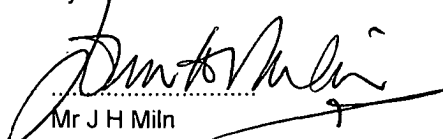
So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish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

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



Mr J H Miln

Secretary

15 MAY 2014

# **UK FASHION AND TEXTILE ASSOCIATION LTD**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF UK FASHION AND TEXTILE ASSOCIATION LTD**

---

#### **Report on the financial statements**

##### **Our Opinion**

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 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.

This opinion is to be read in the context of what we say in the remainder of this report.

##### **What we have audited**

The financial statements, which are prepared by UK Fashion and Textile Association Limited, comprise:

- the Balance Sheet as at 31 December 2013;
- the Profit and Loss account and Statement of Total Recognised Gains and Losses for the year then ended;
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

##### **What an audit of financial statements involves**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). 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 and financial statements 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 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)**

---

#### **Other matters on which we are required to report by exception**

##### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

##### **Directors' remuneration**

- Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

##### **Entitlement to exemptions**

- Under the Companies Act 2006 we are required to report to you if, in our opinion, 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 preparing a strategic report. We have no exceptions to report arising from this responsibility.

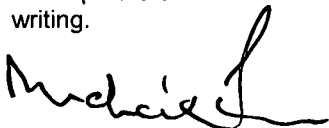
#### **Responsibilities for the financial statements and the audit**

##### **Our responsibilities and those of the directors**

As explained more fully in the Statement of directors' responsibilities 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 ISAs (UK & 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.



Michael Jones (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Gatwick  
15 May 2014

# UK FASHION AND TEXTILE ASSOCIATION LTD

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 £	2012 £
Turnover	2	1,099,726	751,075
Administrative expenses		(1,612,575)	(1,247,784)
Exceptional administrative expenses	3	-	(51,211)
<b>Total administrative expenses</b>		<b>(1,612,575)</b>	<b>(1,298,995)</b>
Other operating income	4	95,911	47,759
<b>Operating loss</b>	3	<b>(416,938)</b>	<b>(500,161)</b>
Operating loss before exceptional administrative expenses		(416,938)	(448,950)
Income from other fixed asset investments	5	-	6,819
Amounts written off investments	7	(762)	-
<b>Loss on ordinary activities before interest and taxation</b>		<b>(417,700)</b>	<b>(493,342)</b>
Other interest receivable and similar income	6	7,707	11,804
<b>Loss on ordinary activities before taxation</b>		<b>(409,993)</b>	<b>(481,538)</b>
Tax on loss on ordinary activities	8	-	-
<b>Loss for the financial year</b>	17	<b>(409,993)</b>	<b>(481,538)</b>

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

There is no material difference between the loss on ordinary activities before taxation and the loss for the financial year stated above and their historical cost equivalents.



# UK FASHION AND TEXTILE ASSOCIATION LTD

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 DECEMBER 2013

---

	Notes	2013 £	2012 £
Loss for the financial year		(409,993)	(481,538)
Unrealised surplus on revaluation of properties	10 , 11 & 17	195,555	-
Unrealised surplus on fixed asset investment		-	23,193
Total recognised losses relating to the year		<u>(214,438)</u>	<u>(458,345)</u>


# UK FASHION AND TEXTILE ASSOCIATION LTD

## BALANCE SHEET

AS AT 31 DECEMBER 2013

	Notes	2013 £	£	2012 £	£
<b>Fixed assets</b>					
Intangible assets	9	(41,475)		-	
Tangible assets	10 & 11	5,844,261		5,715,184	
Investments	12	12,128		12,890	
			5,814,914		5,728,074
<b>Current assets</b>					
Debtors	14	299,042		301,770	
Cash at bank and in hand		825,066		1,202,452	
			1,124,108		1,504,222
<b>Creditors: amounts falling due within one year</b>	15	(961,858)		(1,040,694)	
<b>Net current assets</b>			162,250		463,528
<b>Total assets less current liabilities</b>			5,977,164		6,191,602
<b>Members' funds</b>					
Revaluation reserve	17	195,555		-	
Profit and loss account	17	5,781,609		6,191,602	
<b>Total members' funds</b>	18	5,977,164		6,191,602	

The financial statements on pages 5 to 19 were approved by the Board of directors on 15 MAY 2014 and signed on its behalf by

  
Mr P Lucas  
Chairman

Company Registration No. 01599377

# UK FASHION AND TEXTILE ASSOCIATION LTD

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

---

### 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 and assessment of the impact 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 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.

##### 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, 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.

All income is derived from UK operations.

#### 1.3 Goodwill

Negative goodwill represents the excess of the fair value of the Company's share of the net assets acquired over the cost of acquisition. Negative goodwill is recognised in the profit and loss account when the acquired non-monetary assets are consumed or in the periods expected to benefit.

#### 1.4 Tangible fixed assets and depreciation

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

Straight line over 40 years

Fixtures, fittings & equipment

Straight line over 4 years

# UK FASHION AND TEXTILE ASSOCIATION LTD

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013 (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.

#### 1.5 Leasing

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

#### 1.6 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 operating 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.

#### 1.7 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.

#### 1.8 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 2013.

#### 1.9 Foreign currency translation

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

# UK FASHION AND TEXTILE ASSOCIATION LTD

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

### 2 Turnover

	2013 £	2012 £
<b>Class of business</b>		
Subscription income	215,918	189,639
Events income	227,130	39,482
Secretariat income	42,000	60,527
Climate change levy income	131,161	89,681
Export activities income	483,517	371,746
	<u>1,099,726</u>	<u>751,075</u>

### 3 Operating loss

	2013 £	2012 £
Operating loss is stated after charging:		
Depreciation of owned tangible fixed assets	73,866	72,713
Loss on foreign exchange transactions	2,913	1,232
Operating lease rentals		
- Plant and machinery	4,832	7,909
Fees payable for audit	10,000	10,321
	<u></u>	<u></u>

Exceptional administrative expenses comprise restructuring costs of £nil (2012 - £51,211).

### 4 Other operating income

	2013 £	2012 £
Rental income	156,152	101,562
Occupancy costs	(60,241)	(53,803)
	<u>95,911</u>	<u>47,759</u>

Net rental income represents amounts receivable from third parties in respect of their occupancy of parts of the company's property at 3 Queen Square, London.

### 5 Income from other fixed asset investments

	2013 £	2012 £
Income from other fixed asset investments	-	6,819
	<u>-</u>	<u>6,819</u>

# UK FASHION AND TEXTILE ASSOCIATION LTD

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

---

<b>6</b>	<b>Other interest receivable and similar income</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	Interest receivable	<u>7,707</u>	<u>11,804</u>
<b>7</b>	<b>Amounts written off investments</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	Amounts written off fixed asset investments:		
	- permanent diminution in value	<u>762</u>	<u>-</u>

# UK FASHION AND TEXTILE ASSOCIATION LTD

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

<b>8 Tax on loss on ordinary activities</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>Total current tax</b>	<b>-</b>	<b>-</b>
The tax for the year differs (2012: differs) from the standard rate of corporation tax in the UK 23.25% (2012 - 24.50%). The differences are explained below		
	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Loss on ordinary activities before taxation	(409,993)	(481,538)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.25% (2012 - 24.50%)	(95,323)	(117,977)
Effects of:		
Expenses not deductible for tax purposes	3,220	365
Accelerated capital allowances and other timing differences	11,587	(2,171)
Tax losses carried forward	70,529	119,783
Adjustments to previous periods	9,286	-
Other tax adjustments	701	-
	<b>95,323</b>	<b>117,977</b>
<b>Current tax charge for the year</b>	<b>-</b>	<b>-</b>

#### Factors affecting current and future tax charges

The UK main corporation tax rate was reduced from 24% to 23% from 1 April 2013. As a result of this, an effective rate of 23.25% has been used to calculate tax payable on taxable income in the year.

At the balance sheet date, the Finance Act 2013 had been substantively enacted confirming that the main UK corporation tax will be 21% from 1 April 2014 and 20% from 1 April 2015.

The company has estimated losses of £4,619,361 (2012 - £4,316,010) 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 2013 (CONTINUED)

#### 9 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 1 January 2013	-
Additions	(41,475)
At 31 December 2013	(41,475)
<b>Net book value</b>	
At 31 December 2013	(41,475)
At 31 December 2012	-

#### 10 Tangible fixed assets

	Buildings long leasehold £	Fixtures, fittings & equipment £	Total £
<b>Cost or valuation</b>			
At 1 January 2013	2,363,844	60,595	2,424,439
Additions	3,498	3,890	7,388
Revaluation	(35,342)	-	(35,342)
At 31 December 2013	2,332,000	64,485	2,396,485
<b>Accumulated depreciation</b>			
At 1 January 2013	141,380	35,542	176,922
Revaluation	(200,564)	-	(200,564)
Charge for the year	59,184	14,682	73,866
At 31 December 2013	-	50,224	50,224
<b>Net book value</b>			
At 31 December 2013	2,332,000	14,261	2,346,261
At 31 December 2012	2,222,464	25,053	2,247,517

The valuation of the leasehold land and building was made as at 31 December 2013 by Messrs Flude Commercial, Chartered Surveyors, on an open market value basis.

If these properties were sold for their revalued amounts it would be necessary to replace them with similar property, and rollover relief against tax on the gain would be available. Accordingly, no timing differences arise and no provision has been made for deferred tax in respect of the revaluation.



# UK FASHION AND TEXTILE ASSOCIATION LTD

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

#### 10 Tangible fixed assets (Continued)

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

	£
<b>Cost</b>	
At 1 January 2013	2,363,844
Additions	3,498
	<hr/>
At 31 December 2013	2,367,342
	<hr/>
<b>Depreciation based on cost</b>	
At 1 January 2013	141,380
Charge for the year	59,184
	<hr/>
At 31 December 2013	200,564
	<hr/>
<b>Net book value</b>	
At 31 December 2013	2,166,778
	<hr/>
At 31 December 2012	2,222,464
	<hr/>

#### 11 Tangible fixed assets

	Investment property £
<b>Cost or valuation</b>	
At 1 January 2013	3,467,667
Revaluation	30,333
	<hr/>
At 31 December 2013	3,498,000
	<hr/>
<b>Net book value</b>	
At 31 December 2013	3,498,000
	<hr/>
At 31 December 2012	3,467,667
	<hr/>

The valuation of the investment property was made as at 31 December 2013 by Messrs Flude Commercial, Chartered Surveyors, on a open market value basis. No depreciation is provided in respect of this property.

On an historical cost basis these would have been included at an original cost of £3,467,667 (2012 - £3,467,667).

# UK FASHION AND TEXTILE ASSOCIATION LTD

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

---

#### 12 Fixed asset investments

	Listed investments £
<b>Valuation</b>	
At 1 January 2013	12,890
Amount written off investments	(762)
	<hr/>
At 31 December 2013	12,128
	<hr/>
<b>Net book value</b>	
At 31 December 2013	12,128
	<hr/> <hr/>
At 31 December 2012	12,890
	<hr/> <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 £nil (2012 - £6,819).

# UK FASHION AND TEXTILE ASSOCIATION LTD

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

#### 13 Acquisition of associations

The company acquired 100% of the members' funds of HLCC and BNFA on 31 December 2013 and the acquisition method of accounting has been adopted. The identifiable assets and liabilities of the undertaking acquired have been fair valued as at the date of acquisition and consolidated into the company balance sheet. No consideration was paid for this interest. The income and expenditure from HLCC and BNFA will be brought into the UKFT consolidated profit and loss account from the date of acquisition.

HLCC	Total book value £	Total adjustments £	Total fair value £
Sundry debtors	180	(180)	-
Cash	3,426	-	3,426
Creditors	(386)	110	(276)
	<u>3,220</u>	<u>(70)</u>	<u>3,150</u>
Consideration			-
Negative goodwill arising			<u>3,150</u>
 BNFA	 Total book value £	 Total adjustments £	 Total fair value £
Trade debtors	1,200	-	1,200
Sundry debtors	332	-	332
Cash	37,699	-	37,699
Creditors	(6,267)	5,361	(906)
	<u>32,964</u>	<u>5,361</u>	<u>38,325</u>
Consideration			-
Negative goodwill arising			<u>38,325</u>
 Total negative goodwill arising on acquisitions			<u>41,475</u>

The following fair value adjustments which relate to HLCC and BNFA were made to the book value of the assets and liabilities of the above acquisitions to align them with the UKFTs' accounting policies:

	HLCC £	BNFA £	Total £
Other			
Sundry debtors	(180)	-	(180)
Sundry creditors	110	3,811	3,921
Accruals and deferred income	-	1,550	1,550
	<u>(70)</u>	<u>5,361</u>	<u>5,291</u>

# UK FASHION AND TEXTILE ASSOCIATION LTD

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

#### 13 Acquisition of associations

(Continued)

For the period from 1 January 2013 to 31 December 2013, prior to being acquired by UKFT, HLCC reported a post-tax profit of £2,249 and BNFA reported a trading surplus of £5,333.

#### 14 Debtors

	2013 £	2012 £
Trade debtors	111,236	160,749
Other debtors	46,609	15,360
Prepayments and accrued income	141,197	125,661
	<u>299,042</u>	<u>301,770</u>

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

	2013 £	2012 £
Trade creditors	92,330	193,602
Corporation tax	572,010	572,342
Other taxation and social security	30,245	32,853
Accruals and deferred income	267,273	241,897
	<u>961,858</u>	<u>1,040,694</u>

#### 16 Pension and other post-retirement benefit commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £32,132 (2012- £32,533). Contributions totalling £3,017 (2012- £2,402) were payable to the fund at the year end and are included in creditors.

# UK FASHION AND TEXTILE ASSOCIATION LTD

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

### 17 Statement of movements on reserves

	Revaluation reserve	Profit and loss account
	£	£
Balance at 1 January 2013	-	6,191,602
Loss for the year	-	(409,993)
Revaluation during the year	195,555	-
Balance at 31 December 2013	<u>195,555</u>	<u>5,781,609</u>

### 18 Reconciliation of movements in members' funds

	2013 £	2012 £
Loss for the financial year	(409,993)	(481,538)
Other recognised gains and losses	195,555	23,193
Net depletion in members' funds	<u>(214,438)</u>	<u>(458,345)</u>
Opening members' funds	6,191,602	6,649,947
Closing members' funds	<u>5,977,164</u>	<u>6,191,602</u>

### 19 Financial commitments

At 31 December 2013 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2014:

	Other 2013 £	2012 £
Operating leases which expire:		
Within one year	-	5,785
Between two and five years	3,672	-
	<u>3,672</u>	<u>5,785</u>

### 20 Directors' remuneration

	2013 £	2012 £
Remuneration for qualifying services	<u>100,000</u>	<u>100,000</u>

# UK FASHION AND TEXTILE ASSOCIATION LTD

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

### 21 Employees

#### Number of employees

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

	2013 Number	2012 Number
Administration	10	10

#### Employment costs

	2013 £	2012 £
Wages and salaries	526,696	496,388
Social security costs	50,501	46,724
Other pension costs	32,132	32,533
	609,329	575,645

### 22 Ultimate parent undertaking

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

### 23 Limit of liability

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

### 24 Related party relationships and transactions

The Association has received consultancy services from Lisa Berwin Communications Limited totalling £44,400 (2012 - £28,810) during the year. Lisa Berwin, who is a director of Lisa Berwin Communications Limited is the daughter of Mr S Berwin, a director of UK Fashion and Textile Association Ltd. The amount outstanding at the year end was £nil (2012 - £nil).