

Company Registration No. 01599377 (England and Wales)

UK FASHION AND TEXTILE ASSOCIATION LTD

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2018

UK FASHION AND TEXTILE ASSOCIATION LTD

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UK FASHION AND TEXTILE ASSOCIATION LTD

COMPANY INFORMATION

Directors

Mr Simon Carter
Belinda Dickson
Mr Patrick Dudley-Williams
Lorna Fitzsimons
Laura Hills
Mr Nigel Lugg
Mr Alexander Macbeth
Mr Ian Maclean
Mr A Mansell
Mr Stewart McGuffie
Mr Martin Strzelecki

Secretary Mr A Mansell

Company number 01599377

Registered office 3 Queen Square
London
WC1N 3AR

Auditor PKF Littlejohn LLP
1 Westferry Circus
Canary Wharf
London
E14 4HD

UK FASHION AND TEXTILE ASSOCIATION LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present the strategic report for the year ended 31 December 2018.

The results for the year set out in the profit and loss account, show an operating deficit before taxation for the year of £24,738 (2017 £88,457 surplus) as the organisation continued to invest in existing and new areas of activity. At the EBITDA level, a surplus of £54,399 was recorded – the third successive year where we have delivered a positive cash return. The overall financial policy is to retain healthy reserves, but to invest any further surpluses (where appropriate) for the benefit of the industry.

UKFT campaigns on a wide range of issues ensuring that the needs of the industry are considered at the highest level. UKFT is continuing to help fashion and textile businesses navigate the evolving environment surrounding Brexit. UKFT hold meetings with a wide range of Ministers, MPs and Civil Servants and regularly responds to government consultations and Select Committee enquiries.

Export is a fundamental part of UKFT's activities and the Association is the largest user of the Government's Tradeshow Access Programme. In 2018 UKFT took hundreds of companies to over wide variety of tradeshows across the world. Our programme covers menswear, womenswear, childrenswear, lingerie and beachwear, accessories, textiles and technical textiles.

UKFT is the leading authority for skills and training in our sector, working with employers to define skills gaps and priorities. 2018 saw the pilot of the UKFT pop-up factory, giving young people and their teachers information about the sector. UKFT continued to provide support to the development of apprenticeships in the sector and was named as the External Quality Assurance Provider to virtually all the new fashion and textile apprenticeship standards.

UKFT works hard to promote the manufacturing talent in the UK and in 2018 we completed the second stage of our Made It campaign which focuses on increasing the manufacturing knowledge of students at UK universities.

In 2018 UKFT assumed the responsibility for the dry cleaning industry. Dry cleaning is the end process for many of the fabrics and garments our members produce so makes a logical addition to our operations. 2018 also saw the UKFT take on the Secretariat of the Lancashire Textile Manufacturing Association, in addition to its role as the Secretariat of the Silk Association of Great Britain.

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 2018 on the back of a significantly improved operating performance in 2017.

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 sector's exports, to extend 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.

UK FASHION AND TEXTILE ASSOCIATION LTD

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

The strength of the balance sheet and the retention of liquid funds underpin the Director's guidance of the business. In addition, the Association retains sufficient funds to see through their plans for the foreseeable future. Importantly, the Association remains and intends to continue to be, unencumbered by debt or borrowing.

On behalf of the board

Mr A Mansell

Director

4 June 2019

UK FASHION AND TEXTILE ASSOCIATION LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their annual report and financial statements for the year ended 31 December 2018.

Principal activities

The principal activity of the UK Fashion and Textile Association Ltd (the Association/UKFT) is to encourage, promote, develop and protect the clothing and textiles industries of the United Kingdom. UKFT brings together 2,500 designers, brands, manufacturers and retailers to promote their businesses and the industry in the UK and throughout the world. UKFT is in a unique position representing businesses from spinning, weaving and knitting right through to catwalk and aftercare.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr David Breckenridge	(Resigned 1 October 2018)
Mr Simon Carter	
Belinda Dickson	
Mr Patrick Dudley-Williams	
Lorna Fitzsimons	
Laura Hills	
Mr Nigel Lugg	
Mr Alexander Macbeth	
Mr Ian Maclean	
Mr A Mansell	
Mr Stewart McGuffie	
Mr Martin Strzelecki	

Results and dividends

The results for the year are set out on page 10.

Auditor

In accordance with the company's articles of association, 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.

UK FASHION AND TEXTILE ASSOCIATION LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

On behalf of the board

Mr A Mansell

Director

4 June 2019

UK FASHION AND TEXTILE ASSOCIATION LTD

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2018

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 surplus or deficit 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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

Opinion

We have audited the financial statements of UK Fashion and Textile Association Ltd (the 'company') for the year ended 31 December 2018 which comprise the income and expenditure account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its deficit 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's *responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

UK FASHION AND TEXTILE ASSOCIATION LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF UK FASHION AND TEXTILE ASSOCIATION LTD

Opinions 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

UK FASHION AND TEXTILE ASSOCIATION LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF UK FASHION AND TEXTILE ASSOCIATION LTD

Use of our report

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.

Eric Hindson FCA

(Senior Statutory Auditor)

for and on behalf of PKF Littlejohn LLP

4 June 2019

Chartered Accountants

Statutory Auditor

1 Westferry Circus

Canary Wharf

London

E14 4HD

UK FASHION AND TEXTILE ASSOCIATION LTD

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2018

		2018	2017
	Notes	£	£
Income	3	1,048,414	955,347
Administrative expenses		(1,350,100)	(1,165,477)
Other operating income		276,540	297,754
Operating (deficit)/surplus	4	(25,146)	87,624
Interest receivable and similar income	7	1,748	850
Interest payable and similar expenses	8	(1,340)	-
(Deficit)/surplus before taxation		(24,738)	88,474
Tax on (deficit)/surplus	9	(2,436)	(9,875)
(Deficit)/surplus for the financial year		(27,174)	78,599

The Income and Expenditure Account has been prepared on the basis that all operations are continuing operations.

The notes on pages 15 to 29 form part of these financial statements

UK FASHION AND TEXTILE ASSOCIATION LTD

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	£	£
(Deficit)/surplus for the year	(27,174)	78,599
Other comprehensive income	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	(27,174)	78,599
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The notes on pages 15 to 29 form part of these financial statements

UK FASHION AND TEXTILE ASSOCIATION LTD

BALANCE SHEET

AS AT 31 DECEMBER 2018

		2018		2017	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	10	14,033		-	
Tangible assets	11	2,518,780		2,577,628	
Investment properties	12	3,981,000		3,981,000	
		6,513,813		6,558,628	
Current assets					
Debtors	13	234,353		234,488	
Cash at bank and in hand		756,300		853,610	
		990,653		1,088,098	
Creditors: amounts falling due within one year	14	(389,100)		(504,186)	
Net current assets		601,553		583,912	
Total assets less current liabilities		7,115,366		7,142,540	
Reserves					
Revaluation reserve	18	605,696		605,696	
Income and expenditure account	19	6,509,670		6,536,844	
Members' funds		7,115,366		7,142,540	

The financial statements were approved by the board of directors and authorised for issue on 4 June 2019 and are signed on its behalf by:

Mr Nigel Lugg
Director

Company Registration No. 01599377

The notes on pages 15 to 29 form part of these financial statements

UK FASHION AND TEXTILE ASSOCIATION LTD

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	Revaluation reserve £	Income and expenditure £	Total £
Balance at 1 January 2017	605,696	6,458,245	7,063,941
Year ended 31 December 2017:			
Profit and total comprehensive income for the year	-	78,599	78,599
Balance at 31 December 2017	605,696	6,536,844	7,142,540
Year ended 31 December 2018:			
Loss and total comprehensive income for the year	-	(27,174)	(27,174)
Balance at 31 December 2018	605,696	6,509,670	7,115,366

The notes on pages 15 to 29 form part of these financial statements

UK FASHION AND TEXTILE ASSOCIATION LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	23		(65,567)		130,743
Interest paid			(1,340)		-
Income taxes paid			(7,766)		(11,335)
Net cash (outflow)/inflow from operating activities			(74,673)		119,408
Investing activities					
Purchase of intangible assets		(14,033)		-	
Purchase of tangible fixed assets		(10,352)		-	
Interest received		1,748		850	
Net cash (used in)/generated from investing activities			(22,637)		850
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(97,310)		120,258
Cash and cash equivalents at beginning of year			853,610		733,352
Cash and cash equivalents at end of year			756,300		853,610

The notes on pages 15 to 29 form part of these financial statements

UK FASHION AND TEXTILE ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Company information

UK Fashion and Textile Association Ltd (01599377) is a private company limited by guarantee 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 FRS 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 £.

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

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the 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 fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Income and expenditure

Income and expenses are included in the financial statements as they become receivable or due.

Expenses include VAT where applicable as the company cannot reclaim it.

UK FASHION AND TEXTILE ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies (Continued)

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost or value of the asset can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Website	Straight line over 10 years
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1.6 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.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	Straight line over 40 years
Fixtures and fittings	Straight line over 4 years

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 surplus or deficit.

1.7 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 profit or loss.

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

1.8 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

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 surplus or deficit, 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 surplus or deficit, 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.

1.9 Cash at bank and in hand

Cash at bank and in hand 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.

1.10 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.

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 surplus or deficit, 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.

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through surplus and deficit, 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 surplus or deficit.

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 surplus or deficit.

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.

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 payments 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.

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in surplus or deficit in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

1.11 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 tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1 Accounting policies

(Continued)

1.12 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.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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.

1.13 Retirement benefits

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

1.14 Leases

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.

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.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

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.

UK FASHION AND TEXTILE ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

3 Turnover and other revenue

	2018	2017
	£	£
Turnover analysed by class of business		
Subscriptions income	355,185	330,572
Events income	196,580	109,418
Secretariat income	37,943	31,000
Climate change levy income	134,281	145,128
Export activities income	324,425	339,229
	<u>1,048,414</u>	<u>955,347</u>
	<u><u>1,048,414</u></u>	<u><u>955,347</u></u>
	2018	2017
	£	£
Other significant revenue		
Interest income	1,748	850
Rental income	276,540	297,754
	<u>278,288</u>	<u>298,604</u>
	<u><u>278,288</u></u>	<u><u>298,604</u></u>
	2018	2017
	£	£
Turnover analysed by geographical market		
United Kingdom	1,048,414	955,347
	<u>1,048,414</u>	<u>955,347</u>
	<u><u>1,048,414</u></u>	<u><u>955,347</u></u>

4 Operating (deficit)/surplus

	2018	2017
	£	£
Operating (deficit)/surplus for the year is stated after charging:		
Exchange losses	212	-
Fees payable to the company's auditor for the audit of the company's financial statements	8,442	8,442
Depreciation of owned tangible fixed assets	69,200	68,561
Operating lease charges	3,449	5,047
	<u>81,303</u>	<u>82,050</u>
	<u><u>81,303</u></u>	<u><u>82,050</u></u>

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £212 (2017 - £-).

UK FASHION AND TEXTILE ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2018	2017
	Number	Number
Administrative	10	7
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2018	2017
	£	£
Wages and salaries	588,190	490,298
Social security costs	52,774	42,744
Pension costs	53,171	59,309
	<u> </u>	<u> </u>
	694,135	592,351
	<u> </u>	<u> </u>
Redundancy payments made or committed	9,937	-
	<u> </u>	<u> </u>

The average numbers reported includes 1 (2017 - 1) director who is remunerated as the CEO of the company.

6 Directors' remuneration

	2018	2017
	£	£
Remuneration for qualifying services	109,778	146,468
Company pension contributions to defined contribution schemes	16,189	-
	<u> </u>	<u> </u>
	125,967	146,468
	<u> </u>	<u> </u>

UK FASHION AND TEXTILE ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

7 Interest receivable and similar income

	2018	2017
	£	£
Interest income		
Interest on bank deposits	1,748	850
	<u> </u>	<u> </u>

Investment income includes the following:

Interest on financial assets not measured at fair value through surplus or deficit	1,748	850
	<u> </u>	<u> </u>

8 Interest payable and similar expenses

	2018	2017
	£	£
Other finance costs:		
Other interest	1,340	-
	<u> </u>	<u> </u>

9 Taxation

	2018	2017
	£	£
Current tax		
UK corporation tax on profits for the current period	4,545	9,875
Adjustments in respect of prior periods	(2,109)	-
	<u> </u>	<u> </u>
Total current tax	2,436	9,875
	<u> </u>	<u> </u>

The company has estimated losses of £4,745,069 (2017 - £4,745,069) available for carry forward against future trading profits from the fashion trade. The value of these losses at the future 17% tax rate is £806,662 (2017 - £806,662), 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 (2017 - £nil) and as such no deferred taxation has been provided (2017 - £nil).

UK FASHION AND TEXTILE ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

9 Taxation

(Continued)

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

	2018	2017
	£	£
(Loss)/profit before taxation	(24,738)	88,474
	<u> </u>	<u> </u>
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%)	(4,700)	17,031
Tax effect of expenses that are not deductible in determining taxable profit	2,204	1,732
Unutilised tax losses carried forward	-	(20,264)
Permanent capital allowances in excess of depreciation	7,041	11,376
Under/(over) provided in prior years	(2,109)	-
	<u> </u>	<u> </u>
Taxation charge for the year	2,436	9,875
	<u> </u>	<u> </u>

10 Intangible fixed assets

Website
£

Cost

At 1 January 2018

-

Additions - separately acquired

14,033

At 31 December 2018

14,033

Amortisation and impairment

At 1 January 2018 and 31 December 2018

-

Carrying amount

At 31 December 2018

14,033

At 31 December 2017

-

UK FASHION AND TEXTILE ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

11 Tangible fixed assets

	Leasehold land and fixtures and fittings buildings		Total
	£	£	£
Cost or valuation			
At 1 January 2018	2,712,303	62,787	2,775,090
Additions	-	10,352	10,352
	<u>2,712,303</u>	<u>73,139</u>	<u>2,785,442</u>
At 31 December 2018	2,712,303	73,139	2,785,442
Depreciation and impairment			
At 1 January 2018	135,090	62,372	197,462
Depreciation charged in the year	68,451	749	69,200
	<u>203,541</u>	<u>63,121</u>	<u>266,662</u>
At 31 December 2018	203,541	63,121	266,662
Carrying amount			
At 31 December 2018	<u>2,508,762</u>	<u>10,018</u>	<u>2,518,780</u>
At 31 December 2017	<u>2,577,213</u>	<u>415</u>	<u>2,577,628</u>

The valuation of the leasehold land and building was made as at 31 December 2018 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:

	2018 £	2017 £
Cost	2,454,418	2,367,342
Accumulated depreciation	(181,549)	(437,300)
	<u>2,272,869</u>	<u>1,930,042</u>
Carrying value	<u>2,272,869</u>	<u>1,930,042</u>

The revaluation surplus is disclosed in note 18.

12 Investment property

	2018 £
Fair value	
At 1 January 2018 and 31 December 2018	<u>3,981,000</u>

UK FASHION AND TEXTILE ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

12 Investment property **(Continued)**

Investment property comprises three self-contained floors of offices. The fair value of the investment property has been arrived at on the basis of a valuation carried out as at 31 December 2018 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.

13 Debtors

	2018	2017
	£	£
Amounts falling due within one year:		
Service charges due	168,426	165,141
Other debtors	8,252	21,006
Prepayments and accrued income	57,675	48,341
	<u>234,353</u>	<u>234,488</u>
	<u><u>234,353</u></u>	<u><u>234,488</u></u>

14 Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	48,651	23,606
Corporation tax	4,545	9,875
Other taxation and social security	40,516	48,637
Other creditors	51,107	50,655
Accruals and deferred income	244,281	371,413
	<u>389,100</u>	<u>504,186</u>
	<u><u>389,100</u></u>	<u><u>504,186</u></u>

15 Financial instruments

	2018	2017
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	176,678	186,147
	<u>176,678</u>	<u>186,147</u>
Carrying amount of financial liabilities		
Measured at amortised cost	344,039	445,674
	<u>344,039</u>	<u>445,674</u>

UK FASHION AND TEXTILE ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

16 Retirement benefit schemes

	2018	2017
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	53,171	59,309
	<u> </u>	<u> </u>

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.

17 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.

18 Revaluation reserve

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

19 Income and expenditure account

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

20 Operating lease commitments

Lessee

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:

	2018	2017
	£	£
Within one year	3,660	3,660
Between two and five years	9,405	12,480
In over five years	-	585
	<u> </u>	<u> </u>
	13,065	16,725
	<u> </u>	<u> </u>

UK FASHION AND TEXTILE ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

20 Operating lease commitments (Continued)

Lessor

At the reporting end date the company had contracted with tenants for the following minimum lease payments:

	2018	2017
	£	£
Within one year	236,105	308,960
Between two and five years	583,308	361,563
	<u>819,413</u>	<u>670,523</u>

21 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2018	2017
	£	£
Aggregate compensation	<u>220,698</u>	<u>249,823</u>

During the year, the company paid £4,800 (2017 - £4,800) 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 (2017 - £nil).

22 Controlling party

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 (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

23 Cash generated from operations

	2018 £	2017 £
(Deficit)/surplus for the year after tax	(27,174)	78,599
Adjustments for:		
Taxation charged	2,436	9,875
Finance costs	1,340	-
Investment income	(1,748)	(850)
Depreciation and impairment of tangible fixed assets	69,200	68,561
Movements in working capital:		
Decrease in debtors	135	86,131
(Decrease) in creditors	(109,756)	(111,573)
Cash (absorbed by)/generated from operations	(65,567)	130,743

UK FASHION AND TEXTILE ASSOCIATION LTD

MANAGEMENT INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2018

The following pages do not form part of the statutory financial statements

UK FASHION AND TEXTILE ASSOCIATION LTD

DETAILED TRADING AND INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2018

		2018		2017
	£	£	£	£
Income				
Subscriptions		364,728		330,571
Secretariat		172,226		176,129
Other sales including publications		165,022		76,581
Marketing and events		346,438		372,066
		<u>1,048,414</u>		<u>955,347</u>
Other operating income				
Rent receivable		276,540		297,754
Administrative expenses		<u>(1,350,100)</u>		<u>(1,165,477)</u>
Operating (deficit)/surplus		(25,146)		87,624
Investment revenues				
Bank interest received	1,748		850	
		<u>1,748</u>		<u>850</u>
Interest payable and similar expenses				
Interest payable - not financial liabilities		<u>(1,340)</u>		<u>-</u>
(Deficit)/surplus before taxation	2.36%	<u><u>(24,738)</u></u>	9.26%	<u><u>88,474</u></u>

UK FASHION AND TEXTILE ASSOCIATION LTD

SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	£	£
Administrative expenses		
Wages and salaries	478,412	372,398
Social security costs	46,776	42,744
Staff welfare	117	-
Staff insurance	12,280	9,904
Staff pension costs defined contribution	36,982	59,309
Redundancy costs	9,937	-
Directors' remuneration	109,778	117,900
Directors' social security costs	5,998	-
Directors' pension costs - defined contribution scheme	16,189	-
Premises costs	34,281	25,983
Occupancy costs	79,990	60,628
Property repairs and maintenance	39,570	27,891
Equipment leasing	3,449	5,047
Travelling expenses	27,872	25,287
Subscriptions	40,354	13,009
Legal and professional fees	4,369	3,700
Consultancy fees	2,000	-
Accountancy	51,700	54,780
Audit fees	8,442	8,442
Charitable donations	150	-
Bad and doubtful debts	1,949	1,237
Printing, postage and stationery	6,314	7,060
Publications	3,947	2,955
Marketing and events	237,967	236,202
Market research	3,000	3,000
Telephone	13,526	14,794
Sundry expenses	5,339	4,646
Depreciation	69,200	68,561
Profit or loss on foreign exchange	212	-
	<hr/>	<hr/>
	1,350,100	1,165,477
	<hr/>	<hr/>

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