

Company Registration No. 01599377 (England and Wales)

**UK FASHION AND TEXTILE ASSOCIATION LTD**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2020**

**UK FASHION AND TEXTILE ASSOCIATION LTD**

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**UK FASHION AND TEXTILE ASSOCIATION LTD**

**COMPANY INFORMATION**

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**Directors**

Mr Simon Carter  
Ms Belinda Dickson  
Mr Patrick Dudley-Williams  
Ms Lorna Fitzsimons  
Ms Laura Hills  
Mr N Lugg  
Mr Alexander Macbeth  
Mr Ian Maclean  
Mr A Mansell  
Mr S McGuffie  
Mr S Cotton

**Secretary** Mr A Mansell

**Company number** 01599377

**Registered office** 3 Queen Square  
London  
WC1N 3AR

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

**UK FASHION AND TEXTILE ASSOCIATION LTD**

**STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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The directors present the strategic report for the year ended 31 December 2020.

The principal activity of the UK Fashion and Textile Association Ltd (UKFT) is to encourage, promote, develop and protect the clothing and textiles industries of the United Kingdom. UKFT brings together designers, brands, manufacturers, and retailers to promote their businesses to 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.

The results for the year set out in the profit and loss account, show a deficit before taxation of £14,107 (2019 £400,647 deficit). At EBITDA level, a surplus of £49,393 was recorded (2019 £50,637 surplus); the fifth successive year where we have delivered a positive cash return. The overall financial policy is to retain healthy reserves, but to invest any further surplus (where appropriate) for the benefit of the industry.

2020 was a year totally dominated by the impact of Covid 19 across the world. UKFT played an extremely pro-active role in helping members navigate the various and rapid changes in legislation and in accessing the new range of government support schemes. UKFT was also extremely vocal in representing the industry's need to the government during the pandemic. From the shortage of PPE, to the need to introduce flexibility to the Job Retention scheme and the lack of support for many in the sector, UKFT campaigned on a wide range of issues ensuring that the needs of the industry were considered at the highest level.

UKFT is continuing to help fashion and textile businesses navigate the evolving environment surrounding trading with the EU, post Brexit. UKFT has issued a range of industry focused Brexit guidance and held numerous webinars and members surgeries to help firms understand the complexity of the new UK EU Trade Continuity Agreement. UKFT hold meetings with a wide range of Ministers, MPs and Civil Servants both at Westminster but also in the Devolved Nations. UKFT regularly responds to government consultations and Select Committee enquiries as well as providing opinion pieces to the press.

Export is a fundamental part of UKFT's activities and as the pandemic saw the worldwide cancelling of physical trade shows UKFT played an extremely active role in helping members understand the newly emerging virtual trade show environment. UKFT also pushed the government extremely hard to switch its export support from physical to virtual events. 2020 also saw the launch of UKFT's British Textile Week, an extremely successful social media driven campaign to highlight the breadth and depth of the UK textile industry.

UKFT is the leading authority for skills and training in our sector, working with employers to define skills gaps and priorities. While the pandemic had a significant impact on training in the industry, it also served to highlight the need for the industry to invest in skills and to attract new recruits to the sector. During 2020 UKFT worked to help maintain the delivery of apprenticeship training in a Covid-safe environment, continued its work in developing a T Level for the sector and worked on developing qualifications in the Nations along with broadening UKFT's Education Partner membership base. Despite the pandemic the UKFT also launched the second edition of its 'Made It' programme delivering masterclasses at Universities and, for the first time, offering paid placements at UKFT manufacturers.

**UK FASHION AND TEXTILE ASSOCIATION LTD**

**STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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UKFT works hard to promote the manufacturing talent in the UK and in 2020 we launched our 'Manufacturing Heros' campaign to tell the stories of the craft, talent and people that often remain behind the scenes, but who are critical to the continued growth and success of the industry.

The landscape of the sector is changing and this, coupled with the potentially, long term impacts of COVID-19 together with the disruption caused by the impact of the UK leaving the EU, means that the Association and its priorities need to change and adapt. COVID-19 has had a dramatic impact on all aspects of the fashion and textile supply chain and it is anticipated that it will have long-term consequences for the sector. The directors took the necessary steps to limit the Association's exposure to the effect of the virus and has cash reserves to maintain the business for the foreseeable future. The director's focus remains on maintaining the business and its activities in 2021/2022 and supporting the industry through very uncertain times. In view of changes to building regulations, the directors have agreed to obtain an independent report of the property to ensure all necessary requirements are being adhered to.

Remaining central to the Association's business plan is the delivery of the 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.

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.

On behalf of the board

Mr A Mansell  
**Director**

10 May 2021

**UK FASHION AND TEXTILE ASSOCIATION LTD**

**DIRECTORS' REPORT**

***FOR THE YEAR ENDED 31 DECEMBER 2020***

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The directors present their annual report and financial statements for the year ended 31 December 2020.

**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 Simon Carter  
Ms Belinda Dickson  
Mr Patrick Dudley-Williams  
Ms Lorna Fitzsimons  
Ms Laura Hills  
Mr N Lugg  
Mr Alexander Macbeth  
Mr Ian Maclean  
Mr A Mansell  
Mr S McGuffie  
Mr S Cotton

**Results**

The results for the year are set out on page 11.

**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 2020***

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**Going concern**

As stated in note 25 the directors have reviewed the impact of COVID-19 on the operations and financial position of the Association and have a reasonable expectation that the Association has adequate resources to continue to adopt the going concern basis of accounting in preparing the financial statements.

On behalf of the board

Mr A Mansell  
**Director**

10 May 2021

**UK FASHION AND TEXTILE ASSOCIATION LTD**

**DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 DECEMBER 2020***

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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**

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**Opinion**

We have audited the financial statements of UK Fashion and Textile Association Ltd (the 'company') for the year ended 31 December 2020 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 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 2020 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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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**

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**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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

**Extent to which the audit was considered capable of detecting irregularities, including fraud**

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

**UK FASHION AND TEXTILE ASSOCIATION LTD**

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

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

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Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations;
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102 and the Companies Act 2006) and the relevant tax compliance regulations in the UK;
- We considered the nature of the industry, the control environment and business performance, including the key drivers for management's remuneration;
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;
- We considered the procedures and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

**UK FASHION AND TEXTILE ASSOCIATION LTD**

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

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

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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.

**For and on behalf of PKF Littlejohn LLP**

**Eric Hindson**

**Senior Statutory Auditor**

29 June 2021

15 Westferry Circus

Canary Wharf

London

E14 4HD

**UK FASHION AND TEXTILE ASSOCIATION LTD**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

|  | Notes     | 2020<br>£   | 2019<br>£   |
|--|-----------|-------------|-------------|
| <b>Turnover</b>                                      | <b>3</b>  | 940,298     | 1,071,409   |
| Administrative expenses                              |           | (1,358,950) | (1,359,144) |
| Other operating income                               | <b>3</b>  | 402,083     | 264,198     |
| <b>Operating deficit</b>                             | <b>4</b>  | (16,569)    | (23,537)    |
| Interest receivable and similar income               | <b>7</b>  | 2,581       | 3,557       |
| Interest payable and similar expenses                | <b>8</b>  | (119)       | -           |
| Fair value gains and losses on investment properties | <b>9</b>  | -           | (380,667)   |
| <b>Deficit before taxation</b>                       |           | (14,107)    | (400,647)   |
| Tax on deficit                                       | <b>10</b> | (7,650)     | (12,100)    |
| <b>Deficit for the financial year</b>                |           | (21,757)    | (412,747)   |

The income and expenditure account has been prepared on the basis that all operations are continuing operations.

The notes on pages 16 to 32 form part of these financial statements

UK FASHION AND TEXTILE ASSOCIATION LTD

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

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|   | 2020            | 2019             |
|---|-----------------|------------------|
|   | £               | £                |
| Deficit for the year                    | (21,757)        | (412,747)        |
| Other comprehensive income              |                 |                  |
| Revaluation of tangible fixed assets    | -               | (90,644)         |
| Total comprehensive income for the year | <u>(21,757)</u> | <u>(503,391)</u> |

The notes on pages 16 to 32 form part of these financial statements

UK FASHION AND TEXTILE ASSOCIATION LTD

BALANCE SHEET

AS AT 31 DECEMBER 2020

|  |       | 2020             |                  | 2019             |                  |
|--|-------|------------------|------------------|------------------|------------------|
|  | Notes | £                | £                | £                | £                |
| <b>Fixed assets</b>  |       |                  |                  |                  |                  |
| Intangible assets  | 11    |                  | 11,227           |                  | 12,630           |
| Tangible assets  | 12    |                  | 2,328,502        |                  | 2,392,241        |
| Investment properties  | 13    |                  | 3,570,000        |                  | 3,570,000        |
|  |       |                  | <u>5,909,729</u> |                  | <u>5,974,871</u> |
| <b>Current assets</b>  |       |                  |                  |                  |                  |
| Debtors  | 15    | 221,982          |                  | 269,147          |                  |
| Cash at bank and in hand                                       |       | 1,223,432        |                  | 874,041          |                  |
|  |       | <u>1,445,414</u> |                  | <u>1,143,188</u> |                  |
| <b>Creditors: amounts falling due within one year</b>          |       |                  |                  |                  |                  |
|  | 16    | (717,426)        |                  | (506,084)        |                  |
|  |       | <u></u>          |                  | <u></u>          |                  |
| <b>Net current assets</b>                                      |       |                  | 727,988          |                  | 637,104          |
|  |       |                  | <u></u>          |                  | <u></u>          |
| <b>Total assets less current liabilities</b>                   |       |                  | 6,637,717        |                  | 6,611,975        |
|  |       |                  | <u></u>          |                  | <u></u>          |
| <b>Creditors: amounts falling due after more than one year</b> |       |                  |                  |                  |                  |
|  | 17    |                  | (47,500)         |                  | -                |
|  |       |                  | <u></u>          |                  | <u></u>          |
| <b>Net assets</b>  |       |                  | 6,590,217        |                  | 6,611,975        |
|  |       |                  | <u></u>          |                  | <u></u>          |
| <b>Reserves</b>  |       |                  |                  |                  |                  |
| Revaluation reserve  | 22    | 515,052          |                  | 515,052          |                  |
| Income and expenditure account                                 | 23    | 6,075,165        |                  | 6,096,923        |                  |
|  |       | <u></u>          |                  | <u></u>          |                  |
| <b>Members' funds</b>  |       |                  | 6,590,217        |                  | 6,611,975        |
|  |       |                  | <u></u>          |                  | <u></u>          |

The financial statements were approved by the board of directors and authorised for issue on 10 May 2021 and are signed on its behalf by:

Mr N Lugg  
Director

Company Registration No. 01599377

The notes on pages 16 to 32 form part of these financial statements

**UK FASHION AND TEXTILE ASSOCIATION LTD**

**STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

|  | Revaluation<br>reserve<br>£ | Income and<br>expenditure<br>£ | Total<br>£ |
|--|-----------------------------|--------------------------------|------------|
| <b>Balance at 1 January 2019</b>                 | 605,696                     | 6,509,670                      | 7,115,366  |
| <b>Year ended 31 December 2019:</b>              |                             |                                |            |
| Loss for the year                                | -                           | (412,747)                      | (412,747)  |
| Other comprehensive income:                      |                             |                                |            |
| Revaluation of tangible fixed assets             | (90,644)                    | -                              | (90,644)   |
| Total comprehensive income for the year          | (90,644)                    | (412,747)                      | (503,391)  |
| <b>Balance at 31 December 2019</b>               | 515,052                     | 6,096,923                      | 6,611,975  |
| <b>Year ended 31 December 2020:</b>              |                             |                                |            |
| Loss and total comprehensive income for the year | -                           | (21,757)                       | (21,757)   |
| <b>Balance at 31 December 2020</b>               | 515,052                     | 6,075,166                      | 6,590,218  |

The notes on pages 16 to 32 form part of these financial statements



UK FASHION AND TEXTILE ASSOCIATION LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

|   |       | 2020      | 2019    |
|---|-------|-----------|---------|
|   | Notes | £         | £       |
| <b>Cash flows from operating activities</b>                   |       |           |         |
| Cash generated from operations                                | 28    | 306,917   | 127,938 |
| Interest paid   |       | (119)     | -       |
| Income taxes paid   |       | (9,167)   | (7,211) |
| <b>Net cash inflow from operating activities</b>              |       | 297,631   | 120,727 |
| <b>Investing activities</b>                                   |       |           |         |
| Purchase of tangible fixed assets                             |       | (820)     | (6,543) |
| Interest received   |       | 2,581     | 3,557   |
| <b>Net cash generated from/(used in) investing activities</b> |       | 1,761     | (2,986) |
| <b>Financing activities</b>                                   |       |           |         |
| Government loan   |       | 50,000    | -       |
| <b>Net cash generated from/(used in) financing activities</b> |       | 50,000    | -       |
| <b>Net increase in cash and cash equivalents</b>              |       | 349,392   | 117,741 |
| Cash and cash equivalents at beginning of year                |       | 874,041   | 756,300 |
| <b>Cash and cash equivalents at end of year</b>               |       | 1,223,433 | 874,041 |

The notes on pages 16 to 32 form part of these financial statements

**UK FASHION AND TEXTILE ASSOCIATION LTD**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**1 Accounting policies**

**Company information**

UK Fashion and Textile Association Ltd 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.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

**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.

As stated in note 25 the directors have reviewed the impact of COVID-19 on the operations and financial position of the Association and have a reasonable expectation that the Association has adequate resources to 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 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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**1 Accounting policies**

**(Continued)**

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.

**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 fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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 |
|---------|-----------------------------|

**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. Leasehold land and buildings are measured at 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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**1 Accounting policies** (Continued)

**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.

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 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.

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**1 Accounting policies**

**(Continued)**

**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.

***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.

UK FASHION AND TEXTILE ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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1 Accounting policies

(Continued)

***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.

***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.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

**1.11 Taxation**

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

**1 Accounting policies**

**(Continued)**

***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.

**1.12 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 profit or loss 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 leases 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.

**UK FASHION AND TEXTILE ASSOCIATION LTD**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**1 Accounting policies**

**(Continued)**

**1.15 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

**1.16 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 in the period are included in profit or loss.

**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.

The company carries its investment property at fair value, with changes in fair value being recognised in the profit or loss. In the prior year, the company engaged independent valuation specialists to determine the fair value at 31 December 2019. The valuer used a valuation technique based on a comparison with similar transacted properties in order to determine an open market value of the property. In the current year the directors, through consideration of market publications of relevant property indices, and there being no significant change to the condition of the property, have estimated that there has been no material change to the fair value of the property at 31 December 2020. The determined fair value of the investment property is most sensitive to local economic factors impacting demand for similar properties in the area.



UK FASHION AND TEXTILE ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

**3 Turnover and other revenue**

|   | <b>2020</b>    | <b>2019</b>      |
|---|----------------|------------------|
|   | <b>£</b>       | <b>£</b>         |
| <b>Turnover analysed by class of business</b>   |                |                  |
| Subscriptions income                            | 312,688        | 348,556          |
| Events income                                   | 226,466        | 188,380          |
| Secretariat income                              | 35,943         | 21,833           |
| Climate change levy income                      | 224,663        | 210,225          |
| Export activities income                        | 140,538        | 302,415          |
|   | <u>940,298</u> | <u>1,071,409</u> |
|   | <b>2020</b>    | <b>2019</b>      |
|   | <b>£</b>       | <b>£</b>         |
| <b>Other significant revenue</b>                |                |                  |
| Interest income                                 | 2,581          | 3,557            |
| Grants received                                 | 144,904        | -                |
| Rental income                                   | 257,179        | 264,198          |
|   | <u></u>        | <u></u>          |
|   | <b>2020</b>    | <b>2019</b>      |
|   | <b>£</b>       | <b>£</b>         |
| <b>Turnover analysed by geographical market</b> |                |                  |
| United Kingdom                                  | 940,298        | 1,071,409        |
|   | <u></u>        | <u></u>          |

**4 Operating deficit**

|  | <b>2020</b> | <b>2019</b> |
|--|-------------|-------------|
|  | <b>£</b>    | <b>£</b>    |
| Operating deficit for the year is stated after charging/(crediting):   |             |             |
| Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss | 464         | 283         |
| Government grants  | (144,904)   | -           |
| Fees payable to the company's auditor for the audit of the company's financial statements                            | 9,614       | 9,649       |
| Depreciation of owned tangible fixed assets  | 64,559      | 72,771      |
| Amortisation of intangible assets  | 1,403       | 1,403       |
| Operating lease charges  | 2,920       | 3,660       |
|  | <u></u>     | <u></u>     |

**UK FASHION AND TEXTILE ASSOCIATION LTD**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

**5 Employees**

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

|                | <b>2020</b>       | <b>2019</b>       |
|----------------|-------------------|-------------------|
|                | <b>Number</b>     | <b>Number</b>     |
| Administrative | 13                | 12                |
|                | <u>          </u> | <u>          </u> |

Their aggregate remuneration comprised:

|                                       | <b>2020</b>       | <b>2019</b>       |
|---------------------------------------|-------------------|-------------------|
|                                       | <b>£</b>          | <b>£</b>          |
| Wages and salaries                    | 667,395           | 587,639           |
| Social security costs                 | 67,615            | 63,724            |
| Pension costs                         | 59,023            | 56,242            |
|                                       | <u>          </u> | <u>          </u> |
|                                       | 794,033           | 707,605           |
|                                       | <u>          </u> | <u>          </u> |
| Redundancy payments made or committed | 31,479            | -                 |
|                                       | <u>          </u> | <u>          </u> |

The average numbers reported includes 1 (2019 - 1) director who is remunerated as the CEO of the company.

**6 Directors' remuneration**

|   | <b>2020</b>       | <b>2019</b>       |
|---|-------------------|-------------------|
|   | <b>£</b>          | <b>£</b>          |
| Remuneration for qualifying services                          | 114,607           | 115,000           |
| Company pension contributions to defined contribution schemes | 28,171            | 26,500            |
|   | <u>          </u> | <u>          </u> |
|   | 142,778           | 141,500           |
|   | <u>          </u> | <u>          </u> |

UK FASHION AND TEXTILE ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

**7 Interest receivable and similar income**

|                           | <b>2020</b>       | <b>2019</b>       |
|---------------------------|-------------------|-------------------|
|                           | <b>£</b>          | <b>£</b>          |
| <b>Interest income</b>    |                   |                   |
| Interest on bank deposits | 2,581             | 3,557             |
|                           | <u>          </u> | <u>          </u> |

Investment income includes the following:

|  |                   |                   |
|--|-------------------|-------------------|
| Interest on financial assets not measured at fair value through surplus or deficit | 2,581             | 3,557             |
|  | <u>          </u> | <u>          </u> |

**8 Interest payable and similar expenses**

|  | <b>2020</b>       | <b>2019</b>       |
|--|-------------------|-------------------|
|  | <b>£</b>          | <b>£</b>          |
| <b>Interest on financial liabilities measured at amortised cost:</b> |                   |                   |
| Other interest on financial liabilities                              | 119               | -                 |
|  | <u>          </u> | <u>          </u> |

**9 Amounts written off investments**

|   | <b>2020</b>       | <b>2019</b>       |
|---|-------------------|-------------------|
|   | <b>£</b>          | <b>£</b>          |
| <b>Fair value gains/(losses) on financial instruments</b>                     |                   |                   |
| Change in value of financial assets held at fair value through profit or loss | -                 | (380,667)         |
|   | <u>          </u> | <u>          </u> |

**10 Taxation**

|  | <b>2020</b>       | <b>2019</b>       |
|--|-------------------|-------------------|
|  | <b>£</b>          | <b>£</b>          |
| <b>Current tax</b>                                   |                   |                   |
| UK corporation tax on profits for the current period | 7,917             | 9,434             |
| Adjustments in respect of prior periods              | (267)             | 2,666             |
|  | <u>          </u> | <u>          </u> |
| Total current tax                                    | 7,650             | 12,100            |
|  | <u>          </u> | <u>          </u> |

**UK FASHION AND TEXTILE ASSOCIATION LTD**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

**10 Taxation**

**(Continued)**

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

|  | <b>2020</b>       | <b>2019</b>       |
|--|-------------------|-------------------|
|  | <b>£</b>          | <b>£</b>          |
| Loss before taxation   | (14,107)          | (400,647)         |
|  | <u>          </u> | <u>          </u> |
| Expected tax credit based on the standard rate of corporation tax in the UK of 19% (2019: 19%) | (2,680)           | (76,123)          |
| Tax effect of expenses that are not deductible in determining taxable profit                   | 11,744            | 88,009            |
| Permanent capital allowances in excess of depreciation   | (1,147)           | (2,452)           |
| Under/(over) provided in prior years   | (267)             | 2,666             |
|  | <u>          </u> | <u>          </u> |
| Taxation charge for the year   | 7,650             | 12,100            |
|  | <u>          </u> | <u>          </u> |

The company has estimated losses of £4,745,069 (2019 - £4,745,069) available for carry forward against future trading profits from the fashion trade. The value of these losses at the future 19% tax rate is £806,662 (2019 - £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 property was sold at the revalued amount at the balance sheet date is £nil (2019 - £nil) and as such no deferred taxation has been provided (2019 - £nil).

**11 Intangible fixed assets**

|  | <b>Website</b>    |
|--|-------------------|
|  | <b>£</b>          |
| <b>Cost</b>                            |                   |
| At 1 January 2020 and 31 December 2020 | 14,033            |
|  | <u>          </u> |
| <b>Amortisation and impairment</b>     |                   |
| At 1 January 2020                      | 1,403             |
| Amortisation charged for the year      | 1,403             |
|  | <u>          </u> |
| At 31 December 2020                    | 2,806             |
|  | <u>          </u> |
| <b>Carrying amount</b>                 |                   |
| At 31 December 2020                    | 11,227            |
|  | <u>          </u> |
| At 31 December 2019                    | 12,630            |
|  | <u>          </u> |

UK FASHION AND TEXTILE ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

12 Tangible fixed assets

|                                    | Leasehold land and buildings | Fixtures and fittings | Total            |
|------------------------------------|------------------------------|-----------------------|------------------|
|                                    | £                            | £                     | £                |
| <b>Cost or valuation</b>           |                              |                       |                  |
| At 1 January 2020                  | 2,380,000                    | 79,682                | 2,459,682        |
| Additions                          | -                            | 820                   | 820              |
|                                    | <u>2,380,000</u>             | <u>80,502</u>         | <u>2,460,502</u> |
| At 31 December 2020                | 2,380,000                    | 80,502                | 2,460,502        |
| <b>Depreciation and impairment</b> |                              |                       |                  |
| At 1 January 2020                  | -                            | 67,441                | 67,441           |
| Depreciation charged in the year   | 60,144                       | 4,415                 | 64,559           |
|                                    | <u>60,144</u>                | <u>71,856</u>         | <u>132,000</u>   |
| At 31 December 2020                | 60,144                       | 71,856                | 132,000          |
| <b>Carrying amount</b>             |                              |                       |                  |
| At 31 December 2020                | <u>2,319,856</u>             | <u>8,646</u>          | <u>2,328,502</u> |
| At 31 December 2019                | <u>2,380,000</u>             | <u>12,241</u>         | <u>2,392,241</u> |

The valuation of the leasehold land and building has been arrived at on the basis of a valuation carried out as at 31 December 2019 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. The directors are satisfied that there has been no material movement in the fair value to December 2020.

Land and buildings are carried at valuation. If land and buildings were measured using the cost model, the carrying amounts would have been approximately £2,393,268 (2019 - £2,211,749) being cost £2,454,418 (2019 - £2,454,418) and depreciation £61,150 (2019 - £242,669)

13 Investment property

|  | 2020             |
|--|------------------|
|  | £                |
| <b>Fair value</b>                      |                  |
| At 1 January 2020 and 31 December 2020 | <u>3,570,000</u> |

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 2019 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. The directors are satisfied that there has been no material movement in the fair value to December 2020.

**UK FASHION AND TEXTILE ASSOCIATION LTD**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

**14 Subsidiaries**

Details of the company's subsidiary at 31 December 2020 are as follows:

UK Fashion and Textile Scotland Limited (Company no. SC616858)

| Name of undertaking                     | Registered office | Nature of business      | Class of shares held | % Held |          |
|---|-------------------|-------------------------|----------------------|--------|----------|
|   |                   |                         |                      | Direct | Indirect |
| UK Fashion and Textile Scotland Limited | United Kingdom    | Membership organisation | Limited by guarantee | 100.00 | 0        |

The aggregate capital and reserves and the result for the year of the subsidiary noted above was as follows:

| Name of undertaking                     | Profit/(Loss) | Capital and Reserves |
|---|---------------|----------------------|
|   | £             | £                    |
| UK Fashion and Textile Scotland Limited | (941)         | (9,354)              |

**15 Debtors**

|                                      | 2020           | 2019           |
|--------------------------------------|----------------|----------------|
| Amounts falling due within one year: | £              | £              |
| Service charges due                  | 155,277        | 194,044        |
| Other debtors                        | 491            | 1,678          |
| Prepayments and accrued income       | 66,214         | 73,425         |
|                                      | <u>221,982</u> | <u>269,147</u> |

**16 Creditors: amounts falling due within one year**

|                                    | Notes     | 2020           | 2019           |
|------------------------------------|-----------|----------------|----------------|
|                                    |           | £              | £              |
| Bank loans                         | <b>18</b> | 2,500          | -              |
| Trade creditors                    |           | 55,884         | 35,302         |
| Corporation tax                    |           | 7,917          | 9,434          |
| Other taxation and social security |           | 129,989        | 39,408         |
| Other creditors                    |           | 74,941         | 84,715         |
| Accruals and deferred income       |           | 446,195        | 337,225        |
|                                    |           | <u>717,426</u> | <u>506,084</u> |

UK FASHION AND TEXTILE ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

**17 Creditors: amounts falling due after more than one year**

|                           | Notes | 2020<br>£     | 2019<br>£ |
|---------------------------|-------|---------------|-----------|
| Bank loans and overdrafts | 18    | 47,500        | -         |
|                           |       | <u>47,500</u> | <u>-</u>  |

**18 Loans and overdrafts**

|                         | 2020<br>£     | 2019<br>£ |
|-------------------------|---------------|-----------|
| Bank loans              | 50,000        | -         |
|                         | <u>50,000</u> | <u>-</u>  |
| Payable within one year | 2,500         | -         |
| Payable after one year  | 47,500        | -         |
|                         | <u>50,000</u> | <u>-</u>  |

**19 Financial instruments**

|   | £              | £              |
|---|----------------|----------------|
| <b>Carrying amount of financial assets</b>      |                |                |
| Debt instruments measured at amortised cost     | 155,768        | 195,722        |
|   | <u>155,768</u> | <u>195,722</u> |
| <b>Carrying amount of financial liabilities</b> |                |                |
| Measured at amortised cost                      | 627,020        | 457,242        |
|   | <u>627,020</u> | <u>457,242</u> |

**20 Retirement benefit schemes**

|   | 2020<br>£     | 2019<br>£     |
|---|---------------|---------------|
| <b>Defined contribution schemes</b>                                 |               |               |
| Charge to profit or loss in respect of defined contribution schemes | 59,023        | 56,242        |
|   | <u>59,023</u> | <u>56,242</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.

**21 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.

**UK FASHION AND TEXTILE ASSOCIATION LTD**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**22 Revaluation reserve**

The revaluation reserve represents all surpluses upon the revaluation of the property. The revaluation reserve as at 31 December 2020 was £515,052 (2019 - £515,052).

**23 Income and expenditure account**

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

**24 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:

|                            | <b>2020</b> | <b>2019</b> |
|----------------------------|-------------|-------------|
|                            | <b>£</b>    | <b>£</b>    |
| Within one year            | 3,660       | 3,660       |
| Between two and five years | 2,088       | 5,745       |
|                            | <hr/>       | <hr/>       |
|                            | 5,748       | 9,405       |
|                            | <hr/>       | <hr/>       |

**Lessor**

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

|                            | <b>2020</b> | <b>2019</b> |
|----------------------------|-------------|-------------|
|                            | <b>£</b>    | <b>£</b>    |
| Within one year            | 111,459     | 235,717     |
| Between two and five years | 42,075      | 150,700     |
|                            | <hr/>       | <hr/>       |
|                            | 153,534     | 386,417     |
|                            | <hr/>       | <hr/>       |



**UK FASHION AND TEXTILE ASSOCIATION LTD**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**25 Events after the reporting date**

At the date of the approval of these financial statements the COVID-19 pandemic is having a significant detrimental impact on the social and financial economies of the world. The impact of COVID-19 and the measures the UK Government have announced are likely to have an impact on the operations of the Association and its members for the forthcoming period. The duration of the measures announced to tackle the COVID-19 pandemic has not been defined and there is considerable uncertainty in measuring the potential impact of the measures on the Association. These factors and any future policy announcements by the UK Government are largely outside of the control of the Association's directors, but may impact the Association.

The Association has worked diligently to minimise expenditure and utilise the government support scheme throughout the pandemic. Although some revenue streams have been temporarily impacted, revenue from other areas of the business remains positive.

Accordingly, the financial statements are prepared on a going concern basis, under which assets are recovered and liabilities repaid in the ordinary course of business.

**26 Related party transactions**

**Remuneration of key management personnel**

The remuneration of key management personnel is as follows.

|                        | 2020              | 2019              |
|------------------------|-------------------|-------------------|
|                        | £                 | £                 |
| Aggregate compensation | 240,277           | 216,581           |
|                        | <u>          </u> | <u>          </u> |

During the year, the company paid £99 (2019 - £3,038) 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 (2019 - £nil).

**27 Ultimate 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 2020

28 Cash generated from operations

|  | 2020<br>£      | 2019<br>£      |
|--|----------------|----------------|
| Deficit for the year after tax                       | (21,757)       | (412,747)      |
| <b>Adjustments for:</b>                              |                |                |
| Taxation charged                                     | 7,650          | 12,100         |
| Finance costs  | 119            | -              |
| Investment income                                    | (2,581)        | (3,557)        |
| Amortisation and impairment of intangible assets     | 1,403          | 1,403          |
| Depreciation and impairment of tangible fixed assets | 64,559         | 72,771         |
| Amounts written off investments                      | -              | 380,667        |
| <b>Movements in working capital:</b>                 |                |                |
| Decrease/(increase) in debtors                       | 47,165         | (34,794)       |
| Increase in creditors                                | 210,359        | 112,095        |
| <b>Cash generated from operations</b>                | <b>306,917</b> | <b>127,938</b> |

29 Analysis of changes in net funds

|                                 | 1 January 2020<br>£ | Cash flows<br>£ | 31 December<br>2020<br>£ |
|---------------------------------|---------------------|-----------------|--------------------------|
| Cash at bank and in hand        | 874,041             | 349,391         | 1,223,432                |
| Borrowings excluding overdrafts | -                   | (50,000)        | (50,000)                 |
|                                 | <b>874,041</b>      | <b>299,391</b>  | <b>1,173,432</b>         |

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.