

Company Registration No. 03240384 (England and Wales)

INCORPORATEWEAR LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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INCORPORATEWEAR LIMITED

**COMPANY INFORMATION **

Directors	Mr D D Swan Mr D A Baxby (Appointed 21 August 2017)
Secretary	A G Secretarial Limited
Company number	03240384
Registered office	Hams Hall National Distribution Park Edison Road Coleshill Birmingham Warwickshire B46 1DA
Auditor	Carter Backer Winter LLP 66 Prescott Street London E1 8NN
Business address	Hams Hall National Distribution Park Edison Road Coleshill Birmingham Warwickshire B46 1DA

INCORPORATEWEAR LIMITED

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INCORPORATEWEAR LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2017

The directors present the strategic report for the year ended 30 June 2017.

Fair review of the business

During the period of the report, Incorporatewear has continued to respond and react to the global economic and social pressures. The business has continued to focus on improving offshore manufacturing costs to mitigate inflationary pressures.

Customer recruitment and the rollout programs have been consistent resulting in a small increase to top line sales results on the previous year and this will be further enhanced by the start of sales activity for our continued business wins from the previous year.

The business continues to embrace the ownership by Workwear Group, and the continuous improvement in principals, policies, processes and ethical controls required by any publicly owned company. Shared best practice and resource sharing also continue to develop to keep pace with the ever-changing world economy.

Since the acquisition of Richardson and Richardson Lda in Portugal last financial year Incorporatewear continues to work alongside the management to develop the opportunities for future growth, increase profitability and improve working practices whilst maximising the raw material inventory planning around the various manufacturing centres being used.

Top line sales showed a small increase when compared to the prior year but the pressures on global sourcing and the cost of raw materials meant that gross margin fell by 8%. Product development and close relationships with our supply chain are showing positive improvements to the gross profit for the 2018 financial year. A good control of costs during the year led to a reduction in the cost of doing business of 11% compared to the prior year.

Principal risks and uncertainties

Despite a high level of optimism for the company the directors prudently believe that the future performance of the business may be subject to several key risk areas, some of which fall outside of its direct influence such as exchange rate and the restructure of the European Union.

Others include any changes to major clients' circumstances, the loss of a major contract, UK monetary and fiscal policy and the influence of the wider global economy with reference to commodity markets and economic development in the Far East.

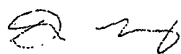
Future developments

Incorporatewear recognises the need to improve its IT systems and customer reporting. The development of department specific modules with data interfaces continue to evolve and the development of a new ERP system will continue into the next financial year.

We will continue to work on the integration of the Richardson and Richardson business to maximise the competitive advantage and employee skill sets. It is expected that this integration will change the focus of that business to prepare for future demands and the ever-changing global supply conditions and regional variances.

With the Brexit negotiations ongoing and the impact on UK trade uncertain, the Directors rightly remain cautious about future growth and customer behaviour.

On behalf of the board



Mr DA Baxby

Director

11 May 2018

INCORPORATEWEAR LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2017

The directors present their annual report and financial statements for the year ended 30 June 2017.

Principal activities

The principal activity of the Group continues to be that of the design, supply and management of corporate clothing for business use.

Directors

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

Mr R G Scott	(Resigned 21 August 2017)
Mr D D Swan	
Ms A M Hooper	(Appointed 21 August 2017 and resigned 30 April 2018)
Mr A N Gianotti	(Resigned 21 August 2017)
Mr D A Baxby	(Appointed 21 August 2017)

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Statement of directors' responsibilities

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 group and company, and of the profit or loss of the group 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 group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INCORPORATEWEAR LIMITED


DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

Statement of disclosure to auditor

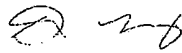
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board


.....
Mr D D Swan

Director

Date: 11/05/2018


.....
Mr D A Baxby

Director

Date: 11 May 2018

INCORPORATEWEAR LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 JUNE 2017

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

- select suitable accounting policies and then apply them consistently;
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- 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 group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INCORPORATEWEAR LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INCORPORATEWEAR LIMITED

Opinion

We have audited the financial statements of Incorporatewear Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2017 which comprise the Group Profit And Loss Account, the Group Statement of Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows, the Company 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 group's and the parent company's affairs as at 30 June 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 group's or the parent 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 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. 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.

INCORPORATEWEAR LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF INCORPORATEWEAR LIMITED

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 group and the parent 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

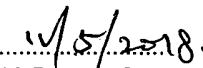
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.

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.


Edward Tsui (Senior Statutory Auditor)
for and on behalf of Carter Backer Winter LLP

Chartered Accountants
Statutory Auditor


66 Prescott Street
London
E1 8NN

INCORPORATEWEAR LIMITED

GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017 £	2016 £
Turnover	3	28,079,628	27,766,115
Cost of sales		(21,373,426)	(18,773,428)
Gross profit		6,706,202	8,992,687
Distribution costs		(1,262,731)	(1,258,348)
Administrative expenses		(5,428,750)	(6,279,097)
Other operating income		19,233	9,739
Operating profit	4	33,954	1,464,981
Interest receivable and similar income	7	8	-
Interest payable and similar expenses	8	(545,307)	(1,888)
(Loss)/profit before taxation		(511,345)	1,463,093
Tax on (loss)/profit	9	(157,642)	(358,031)
(Loss)/profit for the financial year		(668,987)	1,105,062

(Loss)/profit for the financial year is all attributable to the owners of the parent company

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

INCORPORATEWEAR LIMITED**GROUP STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 30 JUNE 2017**

	2017	2016
	£	£
(Loss)/profit for the year	(668,987)	1,105,062
Other comprehensive income	-	-
Total comprehensive income for the year	(668,987)	1,105,062

Total comprehensive income for the year is all attributable to the owners of the parent company.

INCORPORATEWEAR LIMITED

GROUP BALANCE SHEET

AS AT 30 JUNE 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Goodwill	10	582,641		728,301	
Other intangible assets	10	419,212			
Total intangible assets		1,001,853		728,301	
Tangible assets	11	888,449		1,087,676	
		1,890,302		1,815,977	
Current assets					
Stocks	15	6,971,105		7,928,586	
Debtors	16	5,852,155		9,361,858	
Cash at bank and in hand		2,660,409		1,204,488	
		15,483,669		18,494,932	
Creditors: amounts falling due within one year	17	(13,045,314)		(15,408,686)	
Net current assets		2,438,355		3,086,246	
Total assets less current liabilities		4,328,657		4,902,223	
Provisions for liabilities	18	(3,633)		(8,932)	
Net assets		4,325,024		4,893,291	
Capital and reserves					
Called up share capital	20	996,416		996,416	
Share premium account		853,721		853,721	
Capital redemption reserve		12,000		12,000	
Other reserves		253,287		152,566	
Profit and loss reserves		2,209,600		2,878,588	
Total equity		4,325,024		4,893,291	

The financial statements were approved by the board of directors and authorised for issue on 11 May 2018 and are signed on its behalf by:

Mr D D Swan
Director

Mr DA Baxby
Director

INCORPORATEWEAR LIMITED


COMPANY BALANCE SHEET

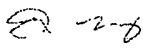
AS AT 30 JUNE 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Intangible assets	10	419,212			
Tangible assets	11	773,239		1,037,127	
Investments	12	1,577,550		1,577,550	
			2,770,001		2,614,677
Current assets					
Stocks	15	6,500,117		7,079,181	
Debtors	16	5,545,665		9,120,002	
Cash at bank and in hand		2,578,162		1,174,001	
			14,623,944		17,373,184
Creditors: amounts falling due within one year	17	(14,078,342)		(15,731,311)	
Net current assets			545,602		1,641,873
Total assets less current liabilities			3,315,603		4,256,550
Provisions for liabilities	18	(3,633)		(8,932)	
Net assets			3,311,970		4,247,618
Capital and reserves					
Called up share capital	20	996,416		996,416	
Share premium account		853,721		853,721	
Capital redemption reserve		12,000		12,000	
Profit and loss reserves		1,449,833		2,385,481	
Total equity			3,311,970		4,247,618

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £935,648 (2016 - £611,955 profit).

The financial statements were approved by the board of directors and authorised for issue on 11 May 2018 and are signed on its behalf by:


.....
Mr D D Swan
Director


.....
Mr D A Baxby
Director

Company Registration No. Company Registration No: 03240384

INCORPORATEWEAR LIMITED

**GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017**

	Share capital £	Share premium account £	Capital redemption reserve £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 July 2015	996,416	853,721	12,000	-	1,773,526	3,635,663
Year ended 30 June 2016:						
Profit and total comprehensive income for the year	-	-	-	-	1,105,062	1,105,062
Transfers	-	-	-	152,566	-	152,566
Balance at 30 June 2016	996,416	853,721	12,000	152,566	2,878,588	4,893,291
Year ended 30 June 2017:						
Loss and total comprehensive income for the year	-	-	-	-	(668,987)	(668,987)
Transfers	-	-	-	100,721	-	100,721
Balance at 30 June 2017	996,416	853,721	12,000	253,287	2,209,600	4,325,024

INCORPORATEWEAR LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 July 2015	996,416	853,721	12,000	1,773,526	3,635,663
Year ended 30 June 2016:					
Profit and total comprehensive income for the year	-	-	-	611,955	611,955
Balance at 30 June 2016	996,416	853,721	12,000	2,385,481	4,247,618
Year ended 30 June 2017:					
Loss and total comprehensive income for the year	-	-	-	(935,648)	(935,648)
Balance at 30 June 2017	996,416	853,721	12,000	1,449,833	3,311,970

INCORPORATEWEAR LIMITED

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	22		2,461,982		(440,824)
Interest paid			-		(1,888)
Income taxes paid			(481,178)		(37,176)
Net cash inflow/(outflow) from operating activities			1,980,804		(479,888)
Investing activities					
Purchase of intangible assets		(419,212)		-	
Purchase of tangible fixed assets		(105,679)		(223,746)	
Interest received		8		-	
Net cash used in investing activities			(524,883)		(223,746)
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			1,455,921		(703,634)
Cash and cash equivalents at beginning of year			1,204,488		1,908,122
Cash and cash equivalents at end of year			2,660,409		1,204,488

INCORPORATEWEAR LIMITED

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from operations		2,010,899		1,040,876	
Income taxes (paid)/refunded		(177,335)		4,669	
Net cash inflow from operating activities		<u>1,833,564</u>		<u>1,045,545</u>	
Investing activities					
Purchase of intangible assets	(419,212)			-	
Purchase of tangible fixed assets	(10,191)		(202,116)		
Proceeds on disposal of subsidiaries	-		(1,577,550)		
Net cash used in investing activities		<u>(429,403)</u>		<u>(1,779,666)</u>	
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents		<u>1,404,161</u>		<u>(734,121)</u>	
Cash and cash equivalents at beginning of year		<u>1,174,001</u>		<u>1,908,122</u>	
Cash and cash equivalents at end of year		<u><u>2,578,162</u></u>		<u><u>1,174,001</u></u>	

INCORPORATEWEAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

Company information

Incorporatewear Limited ("the company") is a limited company domiciled and incorporated in England and Wales. The registered office is Hams Hall National Distribution Park, Edison Road, Coleshill, Birmingham, Warwickshire, B46 1DA, UK.

The group consists of Incorporatewear Limited and all of its subsidiaries.

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 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

The consolidated financial statements incorporate those of Incorporatewear Limited and its subsidiary (ie the entity that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 30 June 2017. Where necessary, adjustments are made to the financial statements of the subsidiary to bring the accounting policies used into line with those used by the other member of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Richardson and Richardson Lda has been included in the group financial statements using the purchase method of accounting. Accordingly, the group profit and loss account and statement of cash flows include the results and cash flows of Richardson and Richardson Lda for the period from its acquisition on 1 September 2015. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

1.3 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.

INCORPORATEWEAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

(Continued)

1.4 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.

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.

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 5 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.6 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 if the fair value can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values (once development is complete) over their useful lives on the following basis:

Software - Amortised over 5 - 10 years

1.7 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	5%- 20% Straight line basis
Leasehold improvements	10% Straight line basis
Plant and equipment	10% - 20% Straight line basis
Fixtures and fittings	20%- 33 1/3% Straight line basis

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 recognised in the profit and loss account.

INCORPORATEWEAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

(Continued)

1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.9 Impairment of fixed assets

At each reporting period end date, the group 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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

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

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

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

INCORPORATEWEAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

(Continued)

1.11 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, and deposits held at call with banks, with an original maturity date of three months or less.

1.12 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

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

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

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

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group 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.

INCORPORATEWEAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

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 group after deducting all of its liabilities.

Basic financial liabilities, including creditors, and loans from fellow group companies, 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 profit or loss 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 group's contractual obligations expire or are discharged or cancelled.

1.13 Equity instruments

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

1.14 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.15 Taxation

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

INCORPORATEWEAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

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 group'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 if, and only if, there is 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.

1.16 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.

1.17 Retirement benefits

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

1.18 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.

1.19 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.

INCORPORATEWEAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

2 Judgements and key sources of estimation uncertainty

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

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

Critical judgements

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

Amortisation of goodwill

Goodwill represent the excess of the cost of acquisition of a business over the fair value of net assets acquired. Goodwill is considered to have a finite useful life of 6 years and is amortised on a systematic basis over its expected life in accordance with FRS 102.

An impairment review is performed on an annual basis by allocating goodwill to the businesses that benefitted from the acquisition and reviewing that the recoverable amounts of those businesses are in excess of their carrying value.

Depreciation

The useful economic life of assets and depreciation rates are areas for which significant estimation techniques have been applied.

The straight line method is used for calculating the depreciation charge on all assets. The method is used in accordance with FRS 102 and is considered appropriate for the type of assets held and expected useful life. Depreciation is recognised so as to write off the cost of valuation of assets less their residual value over their useful life.

3 Turnover

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

	2017 £	2016 £
Turnover analysed by class of business		
Parent Company Turnover	27,995,345	27,663,850
Sub Company Turnover	84,283	102,265
	<u>28,079,628</u>	<u>27,766,115</u>
	2017 £	2016 £
Turnover analysed by geographical market		
UK Sales	27,995,345	27,663,850
Non UK Sales	84,283	102,265
	<u>28,079,628</u>	<u>27,766,115</u>

INCORPORATEWEAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

4 Operating profit

	2017 £	2016 £
Operating profit for the year is stated after charging:		
Exchange losses	870,607	1,176,649
Depreciation of owned tangible fixed assets	307,980	274,821
Amortisation of intangible assets	145,660	145,660
Cost of stocks recognised as an expense	20,420,754	17,802,526
Operating lease charges	462,416	424,340

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 £870,607 (2016 - £1,176,649).

5 Auditor's remuneration

	2017 £	2016 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	38,700	26,000

6 Employees

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

	Group 2017 Number	2016 Number	Company 2017 Number	2016 Number
Administration	71	82	59	70
Distribution	41	34	41	34
	<u>112</u>	<u>116</u>	<u>100</u>	<u>104</u>

Their aggregate remuneration comprised:

	Group 2017 £	2016 £	Company 2017 £	2016 £
Wages and salaries	3,622,316	3,640,294	3,195,327	3,334,528
Social security costs	251,942	241,090	251,942	241,090
Pension costs	22,841	23,589	22,841	23,589
	<u>3,897,099</u>	<u>3,904,973</u>	<u>3,470,110</u>	<u>3,599,207</u>

No remuneration was paid to the directors by the parent company or the subsidiary company for the year ended 30 June 2017 and the year ended 30 June 2016.

INCORPORATEWEAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

7 Interest receivable and similar income

	2017 £	2016 £
Interest income		
Interest on bank deposits	8	-
	<u>8</u>	<u>-</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	8	-
	<u>8</u>	<u>-</u>

8 Interest payable and similar expenses

	2017 £	2016 £
Interest on financial liabilities measured at amortised cost:		
Other interest on financial liabilities	545,307	-
Other finance costs:		
Other interest	-	1,888
	<u>-</u>	<u>1,888</u>
Total finance costs	545,307	1,888
	<u>545,307</u>	<u>1,888</u>

9 Taxation

	2017 £	2016 £
Current tax		
UK corporation tax on profits for the current period	162,941	340,865
	<u>162,941</u>	<u>340,865</u>
Deferred tax		
Origination and reversal of timing differences	(5,299)	17,166
	<u>(5,299)</u>	<u>17,166</u>
Total tax charge for the year	157,642	358,031
	<u>157,642</u>	<u>358,031</u>

INCORPORATEWEAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

9 Taxation

(Continued)

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

	2017 £	2016 £
(Loss)/profit before taxation	(511,345)	1,463,093
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 20.00% (2016: 20.00%)	(102,269)	292,619
Tax effect of expenses that are not deductible in determining taxable profit	771	1,053
Unutilised tax losses carried forward	163,036	-
Adjustments in respect of prior years	22,293	-
Permanent capital allowances in excess of depreciation	(34,822)	-
Depreciation on assets not qualifying for tax allowances	54,816	(16,348)
Amortisation on assets not qualifying for tax allowances	29,132	29,132
Effect of overseas tax rates	29,984	34,409
Deferred tax	(5,299)	17,166
Taxation charge for the year	157,642	358,031

10 Intangible fixed assets

Group	Goodwill £	Software - Amortised over 5 - 10 years £	Total £
Cost			
At 1 July 2016	873,961	-	873,961
Additions - separately acquired	-	419,212	419,212
At 30 June 2017	873,961	419,212	1,293,173
Amortisation and impairment			
At 1 July 2016	145,660	-	145,660
Amortisation charged for the year	145,660	-	145,660
At 30 June 2017	291,320	-	291,320
Carrying amount			
At 30 June 2017	582,641	419,212	1,001,853
At 30 June 2016	728,301	-	728,301

INCORPORATEWEAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

10 Intangible fixed assets

(Continued)

Company

Software - Amortised over 5 - 10 years

	£
Cost	
At 1 July 2016	-
Additions - separately acquired	419,212
At 30 June 2017	419,212
Amortisation and impairment	
At 1 July 2016 and 30 June 2017	-
Carrying amount	
At 30 June 2017	419,212
At 30 June 2016	-

11 Tangible fixed assets

Group	Leasehold land and buildings £	Leasehold improvements £	Plant and equipment £	Fixtures and fittings £	Total £
Cost					
At 1 July 2016	1,042,390	55,368	1,397,661	3,392,522	5,887,941
Additions	79,418	-	1,487	24,773	105,678
Exchange adjustments	-	3,368	10,648	6,856	20,872
At 30 June 2017	1,121,808	58,736	1,409,796	3,424,151	6,014,491
Depreciation and impairment					
At 1 July 2016	1,042,390	55,122	730,802	2,971,951	4,800,265
Depreciation charged in the year	-	5,310	100,879	201,791	307,980
Exchange adjustments	-	3,354	8,765	5,678	17,797
At 30 June 2017	1,042,390	63,786	840,446	3,179,420	5,126,042
Carrying amount					
At 30 June 2017	79,418	(5,050)	569,350	244,731	888,449
At 30 June 2016	-	246	666,859	420,571	1,087,676

INCORPORATEWEAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

11 Tangible fixed assets (Continued)

Company	Leasehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Total £
Cost				
At 1 July 2016	1,042,390	1,222,638	3,334,285	5,599,313
Additions	-	1,487	8,704	10,191
At 30 June 2017	1,042,390	1,224,125	3,342,989	5,609,504
Depreciation and impairment				
At 1 July 2016	1,042,390	586,722	2,933,074	4,562,186
Depreciation charged in the year	-	79,092	194,987	274,079
At 30 June 2017	1,042,390	665,814	3,128,061	4,836,265
Carrying amount				
At 30 June 2017	-	558,311	214,928	773,239
At 30 June 2016	-	635,916	401,211	1,037,127

12 Fixed asset investments

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Investments in subsidiaries	13	-	-	1,577,550	1,577,550

Movements in fixed asset investments

Company	Shares in group undertakings £
Cost or valuation	
At 1 July 2016 and 30 June 2017	1,577,550
Carrying amount	
At 30 June 2017	1,577,550
At 30 June 2016	1,577,550

INCORPORATEWEAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

13 Subsidiaries

Details of the company's subsidiary at 30 June 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Richardson and Richardson Portugal Lda		Design, supply and management of corporate clotting	Ordinary	100.00	

14 Financial instruments

	Group 2017 £	2016 £	Company 2017 £	2016 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	5,336,936	8,852,973	5,331,557	8,824,399
Carrying amount of financial liabilities				
Measured at amortised cost	12,964,715	14,835,571	14,012,105	15,335,057

15 Stocks

	Group 2017 £	2016 £	Company 2017 £	2016 £
Finished goods and goods for resale	6,971,105	7,928,586	6,500,117	7,079,181

16 Debtors

	Group 2017 £	2016 £	Company 2017 £	2016 £
Amounts falling due within one year:				
Trade debtors	5,172,823	8,753,384	5,169,575	8,726,078
Corporation tax recoverable	182,158	-	16,791	-
Other debtors	293,143	306,182	193,022	98,321
Prepayments and accrued income	202,301	301,402	166,277	295,603
	5,850,425	9,360,968	5,545,665	9,120,002
Amounts falling due after more than one year:				
Other debtors	1,730	890	-	-
Total debtors	5,852,155	9,361,858	5,545,665	9,120,002

INCORPORATEWEAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

17 Creditors: amounts falling due within one year

	Group 2017 £	2016 £	Company 2017 £	2016 £
Trade creditors	1,137,804	2,990,037	895,409	2,348,935
Amounts due to group undertakings	9,625,384	8,381,951	10,993,299	9,578,499
Corporation tax payable	-	299,020	-	138,163
Other taxation and social security	80,599	274,095	66,237	258,091
Other creditors	711,344	989,566	633,214	933,606
Accruals and deferred income	1,490,183	2,474,017	1,490,183	2,474,017
	<u>13,045,314</u>	<u>15,408,686</u>	<u>14,078,342</u>	<u>15,731,311</u>

18 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	Liabilities 2017 £	Liabilities 2016 £
Accelerated capital allowances	<u>3,633</u>	<u>8,932</u>
	Liabilities 2017 £	Liabilities 2016 £
Company		
Accelerated capital allowances	<u>3,633</u>	<u>8,932</u>

The deferred tax assets and liabilities set out above are expected to reverse in future periods and relates to accelerated capital allowances that are expected to mature within the same period.

19 Retirement benefit scheme

Defined contribution scheme	2017 £	2016 £
Charge to profit or loss in respect of defined contribution scheme	<u>22,841</u>	<u>23,589</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

INCORPORATEWEAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

20 Share capital

	Group and company	
	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
996,416 Ordinary shares of £1 each	996,416	996,416

21 Operating lease commitments

Lessee

The operating leases represent leases of cars and land and buildings from third parties.

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

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Within one year	379,226	373,841	379,226	373,841
Between two and five years	1,570,986	1,533,815	1,570,986	1,533,815
	<u>1,950,212</u>	<u>1,907,656</u>	<u>1,950,212</u>	<u>1,907,656</u>

22 Cash generated from group operations

	2017	2016
	£	£
(Loss)/profit for the year after tax	(668,987)	1,105,062
Adjustments for:		
Taxation charged	157,642	358,031
Finance costs	-	1,888
Investment income	(8)	-
Amortisation and impairment of intangible assets	145,660	145,660
Depreciation and impairment of tangible fixed assets	307,196	274,821
Foreign exchange	(64,511)	-
Movements in working capital:		
Decrease/(increase) in stocks	957,481	(3,909,684)
Decrease/(increase) in debtors	3,691,861	(2,455,530)
(Decrease)/increase in creditors	(2,064,352)	4,038,928
Cash generated from/(absorbed by) operations	<u>2,461,982</u>	<u>(440,824)</u>