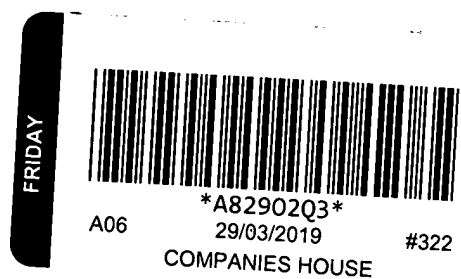


# **Embody (Distribution) Limited**

Directors' report, strategic report and  
financial statements

Registered number 10204540

30 June 2018



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## **Company information**

<b>Directors</b>	C Jackson P A Clarke
<b>Secretary</b>	R I H Broadberry
<b>Registered office</b>	The Courtaulds Building 292 Haydn Road Nottingham NG5 1EB
<b>Auditor</b>	KPMG LLP St Nicholas House Park Row Nottingham NG1 6FQ
<b>Bankers</b>	Lloyds TSB Bank plc PO Box 72 Bailey Drive Gillingham Kent ME8 0LS

## **Directors' report**

The directors present their directors' report and financial statements for the year ended 30 June 2018.

### **Principal activities**

The principal activity of the Company is the provision of warehousing, storage, distribution and logistics services.

### **Dividends**

The directors do not recommend the payment of an ordinary dividend (2017: £nil).

### **Directors**

The directors who served during the year and subsequently are shown on page 1.

### **Employees**

The Company's objective is to employ appropriately skilled people and provide them with an employment environment in which they can maximise their contribution to the business. It continues to place considerable importance at all levels on training and development.

Employees are encouraged to develop their careers across the Group and are offered challenging employment opportunities. The Company's policy is to encourage employment applications from all sections of the community, including disabled people, and to support and assist the retention of disabled and other employees through training, development and career progression.

### **Political and charitable donations**

No charitable gifts and donations were made during the year (2017: £nil).

### **Disclosure of information to auditor**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



**Philip Adrian Clarke**  
Director

Dated: 29 March 2019

## Strategic report

### Review of business and future developments

The Company was incorporated on 27 May 2016 and provided distribution services from 4 July 2016 to the end of March 2017 following which its activities were transferred to Embody (Brands) Limited, being another subsidiary of Huit Holdings (UK) Limited.

On 2 July 2017 the Company was acquired by Kadima Holdings Limited. During the current year the Company has continued to close out its operations, such process to be completed before the end of June 2019. The Company will then be dormant and therefore the accounts have not been prepared on a going concern basis.

The Company's parent company, Kadima Holdings Limited files group accounts and further information relating to the performance of the Group is contained therein.

### Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. The Company's objective is to maintain the constant availability of an appropriate amount of reasonably priced funding for the Company's operational and strategic needs for the foreseeable future.

### Financial risk management

The directors constantly monitor the risks and uncertainties facing the Company with particular reference to the exposure to foreign currency risk, liquidity and credit risk. They are confident that there are suitable policies in place and there are no material risks and uncertainties which have not been considered.

#### Foreign currency risk

The Company is not currently exposed to any foreign currency risk.

#### Liquidity risk

The Company has sufficient available funds for operations and planned activities.

#### Credit risk

The Company is not currently exposed to any credit risk.

### Business KPIs

The Company has assessed that the following financial key performance indicators (KPIs) are the most effective measures of progress towards achieving the Company's strategies and as such towards fulfilling the Company's objectives:

	2018	2017
Revenue £000	Nil	1,104
Net (liabilities)/assets £000	(2)	-

By order of the board



**Philip Adrian Clarke**  
Director

Dated: 29 March 2019

## **Statement of directors' responsibilities in respect of the directors' report, the strategic report and the financial statements**

The directors are responsible for preparing the directors' report, the strategic 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



## **Independent auditor's report to the members of Embody (Distribution) Limited**

### **Opinion**

We have audited the financial statements of Embody (Distribution) Limited ("the company") for the year ended 30 June 2018 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the cash flow statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Emphasis of matter – Non-going concern basis**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements which explains that the financial statements are now not prepared on the going concern basis for the reasons set out in that note.

### **The impact of uncertainties due to Britain exiting the European Union on our audit**

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.



## **Independent auditors' report to the members of Embody (Distribution) Limited**

*(continued)*

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Other matter – prior period financial statements**

We note that the prior period financial statements were not audited. Consequently ISAs (UK) require the auditor to state that the corresponding figures contained within these financial statements are unaudited. Our opinion is not modified in respect of this matter.

### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

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.

**Mark Flanagan** (*Senior Statutory Auditor*)

*for and on behalf of KPMG LLP, Statutory Auditor*

*Chartered Accountants*

St Nicholas House

Park Row

Nottingham

NG1 6FQ

Dated: 29 March 2019

**Statement of comprehensive income**  
*for the year ended 30 June 2018*

	<i>Note</i>	<b>2018</b> <b>£000</b>	<b>2017</b> <b>£000</b>
<b>Revenue</b>	<i>1</i>	-	1,104
Other operating income	<i>2</i>	13	-
Distribution expenses		(19)	(853)
Administrative expenses		4	(251)
<b>Operating loss and loss before tax</b>	<i>3</i>	(2)	-
Taxation	<i>5</i>	-	-
<b>Loss after tax</b>		(2)	-

Although incorporated on 27 May 2016, the Company did not commence trading until 4 July 2016. Despite the prior period being from the date of incorporation to 30 June 2017, the period of activity therefore means the results are for comparable 12 month periods.

The Company however only provided warehousing and distribution services until the end of March 2017 following which its activity and all its employees transferred to Embody (Brands) Limited, being another wholly owned subsidiary of Huit Holdings (UK) Limited.

On 2 July 2017 both the Company and Embody (Brands) Limited were acquired by Kadima Holdings Limited and during the year the Company continued to close out of its operations. This process includes the finalising of various costs and expenses that had previously been estimated.

**Statement of financial position**  
*as at 30 June 2018*

	<i>Note</i>	<b>2018</b>	<b>2017</b>
		<b>£000</b>	<b>£000</b>
<b>Current assets</b>			
Trade and other receivables	6	-	229
Cash and cash equivalents	7	-	3
		<hr/>	<hr/>
		-	232
		<hr/>	<hr/>
<b>Total assets</b>			232
<b>Current liabilities</b>			
Trade and other payables	8	(2)	(232)
		<hr/>	<hr/>
<b>Total liabilities</b>		(2)	(232)
		<hr/>	<hr/>
<b>Net liabilities/(assets)</b>		(2)	-
		<hr/>	<hr/>
<b>Equity</b>			
Share capital	11	-	-
Retained earnings		(2)	-
		<hr/>	<hr/>
<b>Total equity deficit</b>		(2)	-
		<hr/>	<hr/>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of directors on 29 March 2019 and signed on its behalf by:



**Philip Adrian Clarke**  
*Director*

Company number: 10204540

**Statement of changes in equity  
for the year ended 30 June 2018**

	<b>Share capital £000</b>	<b>Retained earnings £000</b>	<b>Total Equity £000</b>
Balance at 27 May 2016	-	-	-
<b>Total comprehensive income for the period</b>			
Issue of share capital	-	-	-
Profit for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Balance at 30 June 2017</b>	-	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	<b>Share capital £000</b>	<b>Retained earnings £000</b>	<b>Total equity £000</b>
Balance at 1 July 2017	-	-	-
<b>Total comprehensive income for the year</b>			
Loss for the year	-	(2)	(2)
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	(2)	(2)
	<hr/>	<hr/>	<hr/>
<b>Balance at 30 June 2018</b>	-	(2)	(2)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

## Notes

*(forming part of the financial statements)*

### **1 Accounting policies**

Embody (Distribution) Limited (the "Company") is a company incorporated in the UK. The registered number is 10204540 and the registered address is The Courtaulds Building, 292 Haydn Road, Nottingham, NG5 1EB.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In the transition to FRS 101 from Adopted IFRS, the Company has made no measurement and recognition adjustments.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets, intangible assets and investment properties;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 IFRS balance sheet at 30 June 2017 for the purposes of the transition to FRS 101.

The directors do not believe there to be any significant judgments in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year.

#### ***Going concern***

The financial statements have not been prepared on a going concern basis.

The Company only provided warehousing and distribution services from 4 July 2016 until the end of March 2017.

During the current year the Company has continued to close out of its operations. This process will be completed by the end of June 2019. The Company will then be dormant. The accounts have therefore not been prepared on a going concern basis.

#### ***Measurement convention***

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments. Non-current assets are stated at the lower of carrying amount and fair value less costs to sell.

## Notes (continued)

### 1 Accounting policies (continued)

#### **Foreign currency**

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates ruling at the dates the fair value was determined.

#### **Non-derivative financial instruments**

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

#### **Trade and other receivables**

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

#### **Trade and other payables**

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and call deposits.

#### **Impairment excluding inventories and deferred tax assets**

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment; a financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

#### **Employee benefits**

##### **Defined contribution**

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to the defined contribution pension plan are recognised as an expense in the income statement as incurred.

#### **Revenue**

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Sales of goods are recognised when the Company has transferred the significant risks and rewards of ownership of the goods to the buyer, the amount of revenue can be measured reliably and it is probable that the economic benefits of the transaction will flow to the Company.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Expenses*

##### *Financing income and expenses*

Financing expenses comprise interest payable, finance charges on shares classified as liabilities and finance leases, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the income statement (see foreign currency accounting policy). Financing income comprise interest receivable on funds invested, dividend income, and net foreign exchange gains.

Interest income and interest payable is recognised in the income statement as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

#### *Taxation*

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

#### *Adoption of new standards*

There have been no new standards, interpretations and amendments to published standards which have had a material impact on the results or the financial position of the Company for the year ended 30 June 2018 or that are expected to have a material impact in future years.

### 2 Other operating income

	2018 £000	2017 £000
Sundry sales	13	-
	<hr/> 13	<hr/> -
	<hr/> <hr/>	<hr/> <hr/>

During the year the Company has sold various non-capital items that were not required by Embody (Brands) Limited, being the fellow subsidiary Company to which the warehousing and distribution activities were transferred.

## Notes (continued)

### 3 Expenses and auditor's remuneration

	<b>2018</b>	2017
	<b>£000</b>	£000
<i>Included in the operating loss are the following:</i>		
Amounts payable for agency staff	-	273
	<hr/>	<hr/>
<i>Auditor's remuneration:</i>		
Audit of these financial statements	1	-
	<hr/>	<hr/>

Amounts receivable by the Company's auditor in respect of services to the Company other than the audit of the financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, Kadima Holdings Limited.

### 4 Staff numbers and costs

The average number of persons employed by the Company (including directors) analysed by category, and for the nine months of the prior period during which the Company was providing services, was as follows:

	<b>Number of employees</b>	
	<b>2018</b>	2017
Distribution	-	8
	<hr/>	<hr/>
		8
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	<b>2018</b>	2017
	<b>£000</b>	£000
Wages and salaries	-	126
Social security costs	-	11
Contribution to defined contribution plans	-	10
	<hr/>	<hr/>
	-	147
	<hr/>	<hr/>

During the previous year all employees were transferred under TUPE to Embody (Brands) Limited.

## Notes (continued)

### 5 Taxation

#### Recognised in income statement

	2018 £000	2017 £000
<i>Current tax income:</i>		
Tax losses recognised in the period	-	-
	<hr/>	<hr/>
<i>Deferred tax expense:</i>		
Changes in deferred tax rates	-	-
Tax losses recognised in the period	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
Total tax in income statement	-	-
	<hr/>	<hr/>

#### Reconciliation of effective tax rate

	2018 £000	2017 £000
Loss before tax	(2)	-
	<hr/>	<hr/>
Tax using the UK corporation tax rate of 19% (2017: 19.75%)	-	-
Non-deductible expenses	-	-
Timing differences	-	-
Losses not recognised	-	-
	<hr/>	<hr/>
Total tax in income statement	-	-
	<hr/>	<hr/>

#### Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2017) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2018) and to 18% (effective from 1 April 2020) were substantively enacted on 26 October 2017. An additional reduction to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2018. These reductions will reduce the Company's future tax charge accordingly.

### 6 Trade and other receivables – current

	2018 £000	2017 £000
Trade receivables due from related parties (note 15)	-	31
Trade receivables due from third parties	-	3
Other receivables due from related parties (note 15)	-	195
	<hr/>	<hr/>
	-	229
	<hr/>	<hr/>

Provisions for impairment of receivables are estimated by Company management based on prior experience and their assessment of the current economic environment.

## Notes (continued)

### 7 Cash and cash equivalents

	2018 £000	2017 £000
Cash at bank and in hand	-	3
	<hr/> -	<hr/> 3
	<hr/> <hr/>	<hr/> <hr/>

### 8 Trade and other payables - current

	2018 £000	2017 £000
Trade payables due to related parties (note 15)	-	7
Trade payables due to third parties	-	75
Other payables due to related parties (note 15)	2	27
Other non-trade payables and accrued expenses	-	123
	<hr/> 2	<hr/> 232
	<hr/> <hr/>	<hr/> <hr/>

### 9 Deferred tax assets

The amount of unprovided deferred taxation on taxable losses of £1,800 (2017: £nil) using a deferred tax rate of 17% (2017: 17%) was £306 (2017: £nil). The Company did not recognise the deferred tax assets in respect of the above on the basis that the future economic benefit is uncertain.

### 10 Employee benefits

#### *Defined contribution plans*

The Company operates a defined contribution pension plan and the total expense relating to the plan in the current year was £nil (2017: £10,119).

### 11 Capital and reserves

	2018 £	2017 £
<i>Allotted, called up and fully paid:</i>		
100 ordinary shares of £1 each	100	100
	<hr/> 100	<hr/> 100
Classified in shareholders' funds	<hr/> <hr/> 100	<hr/> <hr/> 100

The holders of the ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

## Notes (continued)

### 12 Financial instruments

#### *Financial assets*

	<b>2018</b>	2017
	<b>£000</b>	£000
Cash and cash equivalents	-	3
Financial assets measured at amortised cost	-	229
	<hr/>	<hr/>
	-	232
	<hr/>	<hr/>

#### *Financial liabilities*

	<b>2018</b>	2017
	<b>£000</b>	£000
Financial liabilities measured at amortised cost	<b>2</b>	232
	<hr/>	<hr/>

Financial assets measured at amortised cost comprise trade receivables and other receivables.

Financial liabilities measured at amortised cost comprise trade payables, accruals, and other payables.

### 13 Operating leases

At the balance sheet date the Company had no non-cancellable operating lease commitments.

### 14 Capital commitments

At the balance sheet date, the Company had no capital commitments.

### 15 Related parties

The Company has taken advantage of the relief available under FRS 101.8(k) in respect of Related Party Disclosures and does not disclose transactions with wholly owned entities that are fellow group companies.

The following are considered to be related parties of the Company:

#### *Parent companies:*

Magellan Textile Holdings Limited – ultimate

Kadima Holdings Limited – immediate

#### *Fellow subsidiaries:*

Courtaulds (Footwear) Limited – a fellow subsidiary as of 2 July 2017

Embody (Brands) Limited

Gossard (Dormant) Limited – formerly Gossard Limited

– a fellow subsidiary as of 2 July 2017 dissolved on 5 June 2018

Meridian (Europe) Limited

## Notes (continued)

### 15 Related parties (continued)

#### *Key management personnel of the Company and its parents:*

Directors are as detailed on page 1 of these financial statements

#### *Other related parties:*

Berlei (Europe) Limited

Transactions and balances outstanding with related parties are summarised below.

The following transactions were carried out with related parties:

#### (a) Sale of goods and services

	2018 £000	2017 £000
<i>Sale of services:</i>		
- Fellow subsidiaries	-	522
	<u>          </u>	<u>          </u>

Additionally, during the prior year there were sales of services totalling £394,000 to companies that became fellow subsidiaries during the current year and were not previously recognised as related parties and sales of services totalling £243,000 to the company now considered an other related party.

#### (b) Purchase of goods and services

	2018 £000	2017 £000
<i>Purchase of services:</i>		
- Immediate parent	2	-
- Fellow subsidiaries	19	173
	<u>          </u>	<u>          </u>

Additionally, during the prior year there were purchases of services totalling £245,000 from companies that became fellow subsidiaries during the current year and were not previously recognised as related parties.

All the above sales and purchases of goods and services were undertaken on normal commercial terms on an arm's length basis.

#### (c) The following balances were due from related parties at the balance sheet date.

	2018 £000	2017 £000
<i>Trade receivables:</i>		
- Due from fellow subsidiaries	-	31
	<u>          </u>	<u>          </u>
	-	31
	<u>          </u>	<u>          </u>
<i>Other receivables:</i>		
- Due from fellow subsidiaries	-	195
	<u>          </u>	<u>          </u>
	-	195
	<u>          </u>	<u>          </u>
Balance due from related parties	<u>          </u>	<u>          </u>
	-	226
	<u>          </u>	<u>          </u>

## Notes (continued)

### 15 Related parties (continued)

(d) The following balances were due to related parties at the balance sheet date.

	2018 £000	2017 £000
<i>Trade payables:</i>		
- Due to fellow subsidiaries	-	7
	<hr/> -	<hr/> 7
<i>Other payables:</i>		
- Due to immediate parent	2	-
- Due to fellow subsidiaries	-	34
	<hr/> 2	<hr/> 34
Balances due to related parties	<hr/> <hr/> 2	<hr/> <hr/> 34

Additionally, at the prior year balance sheet date there were other payables totalling £100,000 due to companies that became fellow subsidiaries during the current year and were not previously recognised as related parties.

### 16 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Magellan Textile Holdings Limited which is the ultimate parent company incorporated in Hong Kong. The ultimate controlling party is Neo Hwee Khim, the 100% shareholder of Magellan Textile Holdings Limited.

The only Group in which the results of the Company are consolidated is that headed by Kadima Holdings Limited, incorporated in England. The consolidated financial statements of this Group are available to the public and may be obtained from The Courtaulds Building, 292 Haydn Road, Nottingham, NG5 1EB.