

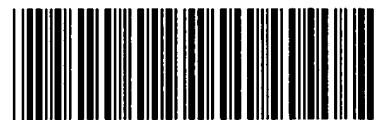
Alison Hayes (UK) Limited

Annual report and financial statements

Registered number 02241601

31 December 2015

WEDNESDAY



L54BHW5E
LD3 06/04/2016 #17
COMPANIES HOUSE

Contents

Strategic Report	1
Directors' Report	4
Statement of directors' responsibilities in respect of the Directors' Report and the financial statements	6
Independent auditor's report to the members of Alison Hayes (UK) Limited	7
Profit and Loss Account	9
Other Comprehensive Income	10
Balance Sheet	11
Statement of Changes in Equity	12
Notes	13

Strategic report

The Directors present their strategic report for Alison Hayes (UK) Limited (“The Company”) for the year ended 31 December 2015.

Company performance and business review

We want Alison Hayes to be recognised by our customers as their preferred supplier of affordable women’s fashion.

Our Company strategy is achieved by excelling in design, quality and reliability.

Design: we embrace the philosophy of the “fast fashion” system that combines: highly fashionable (“trendy”) product design with short production and distribution lead time. We achieve the trendy product design by continually monitoring customers and industry tastes.

Quality: we are committed to deliver to our customers high product quality that meets their expectations. To achieve this, we maintain a quality management system from development, planning, design and manufacturing to sales and customer service.

Reliability: we deliver in accordance with our design specifications and commercial commitments. We aim to comply with all applicable laws and regulations and all of our actions are transparent and in accordance with our binding principles of ethical behaviour.

Key performance indicators

We measure and compare the success of our company based on a target KPI system that defines indicators for turnover growth, profitability and working capital.

The key financial performance indicators for the last three years are as follows:

Financial highlights	2015	2014	2013
	£	£	£
Gross Sales	38,947,295	47,732,165	37,660,903
Turnover	35,965,466	46,220,516	36,902,370
Gross Profit	4,759,150	5,832,167	4,838,027
Gross Profit margin (% to gross sales)	12.2%	12.2%	12.8%
(Loss) / Profit before tax	(326,167)	759,880	383,294
(Loss) / Profit for the financial year	(271,277)	561,336	266,970

Turnover: Turnover to 31 December 2015 of £36 million shows a decrease of 22.2% over the previous year. This is a reflection of a challenging trading year in UK and our underperformance in some product lines.

Gross profit margin: The overall product margin has been stable around 12.2%.

Profit before tax: The Company made a loss driven by a challenging year for the UK businesses. While, we are prepared for volatility in the next year we have managed to list new customers and reduce our overheads in order to restore profitability from 2016.

Strategic report *(continued)*

Principle risks and uncertainties:

Below are the principle risks and uncertainties that could affect the business performance and our mitigating activities:

Economic conditions:

UK economic conditions were mixed in 2015 with retail growth slowing down and market uncertainties in Europe and China.

We project that retail growth and consumer confidence will be restored in 2016 however we believe this will be at the expense of margins as deflationary pressures continue.

Mitigating activities:

- Increased competitiveness on products to ensure good value for money
- Development of new clients to diversify the client portfolio

Consumer preferences:

The UK market is set to grow in importance for fast fashion and short lead time orders, and as a result, requests for premium orders that are manufactured in Europe could be difficult to achieve due to higher manufacturing costs.

Mitigating activities:

- Through its subsidiary, Alison Hayes UK has a strong manufacturing base in Romania that serves profitable fast lead time orders.
- As a group, we will continue to invest in our subsidiaries to upgrade production facilities and staff skills to ensure efficient manufacturing.

Operational Cost:

Our costs are subject to fluctuations, particularly due to changes in commodity prices, raw materials, labour costs, exchange and interest rates.

Mitigating activities:

- Our success is dependent, in part, on our continued ability to manage these fluctuations through pricing actions, cost savings projects, sourcing decisions and certain hedging transactions.
- We continue to manage our currency exposure in Romania and the Far East.
- We continue to maintain key manufacturing and supply arrangements and successfully manage our Company production site.
- We continue to implement and sustain cost improvement plans that will help to reduce general overheads and increase competitiveness through cost leadership.

Ability to achieve business plans:

We manufacture consumer products and rely on continued demand for our design ideas and products. To achieve our business targets we need to design, develop and sell products that appeal to the retail consumer.

Mitigating activities:

We are continuously investing in design and new product development as well as in new technologies to provide to our customers competitive, leading products. To address the challenges of a competitive market we must respond to competitive factors such as fashion trends, pricing, lead time and quality.

Strategic report *(continued)*

Reputation risk:

The risk of loss of reputation arising from the negative publicity relating to the Company's operations (whether true or false) could result in a reduction of its clientele, reduction in turnover and legal cases against the Company. The Company applies ethical procedures to minimise this risk.

By order of the board



Evelthon Vassiliou
Director

361B-363B Liverpool Road
London
N1 1NL
1 April 2016

Directors' report

The directors present their directors' report and financial statements for the year ended 31 December 2015.

Principal activity:

The principle activity of the Company continued to be that of designing, manufacturing and wholesalers of high quality garments for women

Business review:

The comprehensive business analysis has been provided in the Strategic Report. The Directors estimate the Company to continue growing in the next year and recognise the overall performance as favourable considering the current economic environment.

Market value of land and buildings:

In the opinion of the Directors, the land and buildings are reflected in the accounts at fair market value. The Company's main asset at Liverpool Road, London N1 1NL was revalued in February 2016 by an independent valuer Strettons Chartered Surveyors at £4.9m. This amount has been included in the financial statements.

Future developments:

The directors aim to maintain the management policies which have resulted in the Company's substantial growth in recent years.

Results and dividends:

The results are set out on page 9.

The directors do not recommend payment of dividends (2014: £ Nil).

Arrangement to promote training and equal opportunities

Alison Hayes is committed to creating a diverse environment and is proud to be an equal opportunity employer. All employees have received equal consideration for recruitment, development and promotion with regard to race, colour, religion, gender, disability, sexual orientation, national origin or age.

The Company has the following arrangements for training staff:

Introduction training: all the employees receive an invitation to attend an induction workshop on their entrance to the business.

External consultant led training: Extensive needs are reviewed during the appraisal process and the Company has a training scheme for the business departments, teams and individuals.

Political and charitable contributions:

The Company made no political or charitable contributions during the year (2014: £nil)

Directors' report *(continued)*

Directors

The directors who held office as at 31 December 2015 and approved the financial statements were as follows:

Mr Evelthon Vassiliou
Mr Robert Chamberlain
Mr George Vassiliou
Ms Julie Thompson
Mr Nicholas Georghiades
Ms L Tvrtkovic Sahin
Mrs Tina Bower (appointed 20 May 2015)

Disclosure of information to auditors

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 they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditors

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

361B-363B Liverpool Road
London
N1 1NL
April 2016



Evelthon Vassiliou
Director

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

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 2006. They 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.



KPMG LLP
15 Canada Square
London
E14 5GL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALISON HAYES (UK) LIMITED

We have audited the financial statements of Alison Hayes (UK) Limited for the year ended 31 December 2015 set out on pages 9 to 24. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ALISON HAYES (UK) LIMITED** *(continued)*

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ashley Rees (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square, London, E14 5GL
5 April 2016

Profit and Loss Account
for the year ended 31 December 2015

	<i>Note</i>	2015 £	2014 £
Gross sales		38,947,295	47,732,165
Discounts		(2,981,829)	(1,511,649)
Turnover	2	<u>35,965,466</u>	<u>46,220,516</u>
Cost of sales		(31,206,316)	(40,388,349)
Gross profit		<u>4,759,150</u>	<u>5,832,167</u>
Administrative expenses- Design costs		(2,048,789)	(1,913,298)
Administrative expenses- Selling and other		(2,904,996)	(3,054,246)
Other operating income		7,570	3,490
Operating (Loss)/Profit	3	<u>(187,065)</u>	<u>868,113</u>
Other interest receivable and similar income	6	25	79
Interest payable and similar charges	7	(165,951)	(180,904)
Foreign exchange gain / (loss)		26,824	72,592
(Loss)/Profit on ordinary activities before taxation		<u>(326,167)</u>	<u>759,880</u>
Tax credit/(charge) on profit on ordinary activities	8	54,890	(198,544)
(Loss)/Profit for the financial year	19	<u>(271,277)</u>	<u>561,336</u>

All the company's activities relate to continuing operations.
The notes on pages 13 to 24 form part of these financial statements.

Other Comprehensive Income
for the year ended 31 December 2015

	<i>Note</i>	2015 £	2014 £
(Loss)/Profit for the year	<i>20</i>	(271,277)	561,336
Gain on revaluation of property		2,652,708	-
Other comprehensive income for the year, net of income tax		2,652,708	-
Total comprehensive income for the year		2,381,431	561,336

Balance Sheet
at 31 December 2015

	Note	2015		2014	
		£	£	£	£
Fixed assets					
Tangible assets	9		5,148,938		2,235,773
Investments	10		2,665,504		2,665,504
			<u>7,814,442</u>		<u>4,901,277</u>
Current assets					
Stocks	11		293,735		490,523
Debtors	12		3,054,601		3,426,625
Investments	13		1,827		2,290
Cash at bank and in hand			151,328		246,157
			<u>3,501,491</u>		<u>4,165,595</u>
Creditors: amounts falling due within one year	14		<u>(2,675,809)</u>		<u>(2,487,139)</u>
Net current assets			<u>825,682</u>		<u>1,678,456</u>
Total assets less current liabilities			<u>8,640,124</u>		<u>6,579,733</u>
Creditors: amounts falling due after more than one year	15		<u>(156,356)</u>		<u>(462,707)</u>
Provisions for liabilities			-		(14,689)
Net Assets			<u>8,483,768</u>		<u>6,102,337</u>
Capital and reserves					
Called up share capital	18		1,000,000		1,000,000
Revaluation reserve	20		4,233,552		1,580,844
Profit and loss account	20		3,250,216		3,521,493
Shareholders' funds	19		<u>8,483,768</u>		<u>6,102,337</u>

The notes on pages 13 to 24 form part of these financial statements.

These financial statements were approved by the board of directors on 1 April 2016 and were signed on its behalf by:



Evelthon Vassiliou
Director

Company registered number 02241601

Statement of Changes in Equity

	Called up Share capital £	Revaluation reserve £	Profit and loss account £	Total equity £
Balance at 1 January 2014	1,000,000	1,601,344	2,939,657	5,541,001
Total comprehensive income for the period				
Profit or loss	-	-	561,336	561,336
Transfer from revaluation reserve	-	(20,500)	20,500	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total comprehensive income for the period	-	(20,500)	581,836	561,336
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Balance at 31 December 2014	1,000,000	1,580,844	3,521,493	6,102,337
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

	Called up Share capital £	Revaluation reserve £	Profit and loss account £	Total equity £
Balance at 1 January 2015	1,000,000	1,580,844	3,521,493	6,102,337
Total comprehensive income for the period				
Profit or loss	-	-	(271,277)	(271,277)
Revaluation of property	-	2,652,708	-	2,652,708
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total comprehensive income for the period	-	2,652,708	(192,282)	2,381,431
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Balance at 31 December 2015	1,000,000	4,233,552	3,250,216	8,483,768
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Notes

(forming part of the financial statements)

1 Accounting policies

Alison Hayes (UK) Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") as issued in August 2014. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1.

In the transition to FRS 102 from old UK GAAP, the Company has made no measurement and recognition adjustments.

The Company's ultimate parent undertaking, Synek Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Synek Limited are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from P.O. Box 28566, Nicosia 2080, Cyprus. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1 Measurement convention

The financial statements have been prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

1.2 Going concern

The Directors consider that the Company have adequate resources to remain in operation for the foreseeable future and have therefor continue to adopt the going concern basis in preparing the financial statements.

We foresee sales growth in 2016 generated from consolidation of market share with existing customers as well as business from new clients. We will continue to focus on expanding the product range and strengthening the tailoring and childrenswear product lines to diversify from the traditional womenswear division.

We will focus on high fashion products that deliver higher margins and will strengthen our design team to ensure that we identify the new fashion trends and work quickly to interpret them and deliver to our customers.

We will become a more agile and flexible organization that will result in improved working capital. Our initiatives include upgrades of the supply chain systems that will allow automatically stock allocation and replacement based on production demand. We are also working on increasing production capacity to reduce lead time and working in progress.

1.3 Compliance with accounting standards

The financial statements are prepared in accordance with Financial Reporting Standards 102 applicable in the UK and the Republic of Ireland, which have been applied consistently (except as otherwise stated).

1.4 Turnover

Turnover represents amounts receivable for goods in relation to the Company's principal activity, net of VAT and settlement discounts. Revenue is recognised at either dispatch or delivery to the customer depending on the applicable shipping terms. Discounts offered to customers in compensation of their contribution to the supply chain such as stocking and distributing the goods are reported in turnover.

Notes (continued)

1 Accounting policies (continued)

1.5 Tangible fixed assets and depreciation

Tangible fixed assets, other than freehold land, are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life as follows:

Freehold buildings	50 years straight line
Plant and machinery	25% reducing balance
Fixtures, fittings, tools & equipment	25% reducing balance
Motor vehicles	25% reducing balance

Revaluation

The Company's main asset at Liverpool Road, London, N1 1NL is stated at fair value less any subsequent accumulated depreciation and impairment losses.

Gains on revaluation are recognised in other comprehensive income and accumulated in revaluation reserve. However, the increase is recognised in profit or loss to the extent that it reverses a revaluation decrease previously recognised in profit or loss.

1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

Current asset investments are accounted for at fair value through profit and loss.

1.7 Stock

Stock is valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items.

1.8 Pensions

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

1.9 Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS102 Section 29.

1.10 Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

1.11 Group accounts

The financial statements present information about the Company as an individual undertaking and not about its group. The company is exempt from the requirement to prepare group accounts by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Synek Limited, a company incorporated in Cyprus, and its results are included in the consolidated accounts of that company.

Notes (continued)

1 Accounting policies (continued)

1.12 Operating Leases

Rentals paid under operating leases are charged to income on a straight line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

1.13 Basic financial instruments

Trade debtors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

The Company has an invoice discounting arrangement with a maximum credit limit of £5,500,000 but not greater than the debtor ledger at any point in time. The Company is entitled to pre pay up to 90% of the credit limit based on existing receivable and after deducting the following:

- the value of the ineligible debts
- standard retention
- any amounts on Company responsibility

The provider of the finance has agreed in writing that it will seek repayment of the finance, as to both principal and interest, only to the extent that sufficient funds are generated by the specific item it has financed and that it will not seek recourse in any other form.

The arrangement in place meets the requirement of FRS102 Section 11 to de-recognise the assets covered by the arrangement and therefore these balances are presented on a net basis in the financial statements.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the transaction price. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Notes (continued)

2 Analysis of turnover

The total turnover of the Company has been derived from the sale of goods and is wholly undertaken in the United Kingdom.

3 Notes to the profit and loss account

	2015	2014
	£	£
<i>(Loss)/ Profit on ordinary activities before taxation is stated after charging:</i>		
Depreciation and other amounts written off tangible fixed assets	93,676	81,452
Auditor's remuneration	27,300	24,000
Gain on disposal of tangible fixed assets	1,991	7,555
	596,345	502,396

4 Remuneration of directors

	2015	2014
	£	£
Directors' emoluments	546,712	471,336
Company contributions to money purchase pension schemes	49,633	31,060
	596,345	502,396

Emoluments disclosed above include £250,000 (2014: £288,500) paid to the highest paid director. Company pension contributions of £18,750 (2014: £18,750) were made to a money purchase scheme on their behalf.

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 4 (2014:3).

Notes (continued)

5 Staff numbers and cost

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2015	2014
Design Room	52	51
Sales	16	13
Admin	4	4
Production	12	12
Directors	5	4
	89	84
	89	84

The aggregate payroll costs of these persons were as follows:

	2015	2014
	£	£
Wages and salaries	3,498,190	3,296,071
Social security costs	390,962	352,371
Other pension costs	89,830	57,162
	3,978,982	3,705,604
	3,978,982	3,705,604

6 Other interest receivable and similar income

	2015	2014
	£	£
Bank interest	25	79
	25	79

7 Interest payable and similar charges

	2015	2014
	£	£
On bank loans and overdrafts	109,747	107,491
On amounts payable to group companies	10,317	13,889
Bank charges	45,887	59,524
	165,951	180,904
	165,951	180,904

Notes (continued)

8 Taxation

Analysis of credit/(charge) in period

	2015	2014 £
<i>Current tax</i>		
Current tax on income for the period	-	-
 Total current tax	 -	 -
<i>Deferred tax (see note 12)</i>		
Origination/reversal of timing differences	53,422	(179,299)
Adjustment in respect of prior periods	-	(19,245)
Effect of tax rate change on opening balances	1,468	-
 Total deferred tax credit/(charge)	 54,890	 (198,544)
 Tax credit/(charge) on profit on ordinary activities	 54,890	 (198,544)

Factors affecting the tax charge for the current period

The current tax charge for the period is lower (2014: higher) than the standard rate of corporation tax in the UK (20.25%, 2014: 21.5%). The differences are explained below:

	2015	2014 £
<i>Reconciliation of effective tax rate</i>		
(Loss)/profit for the year	(271,277)	561,336
Total tax	<u>(54,890)</u>	<u>198,544</u>
 (Loss)/profit excluding taxation	 (326,167)	 759,880
Tax using the UK corporation tax rate of 20.25% (2014: 21.5%)	66,049	(163,374)
 Effects of:		
Expenses not deductible for tax purposes	(6,081)	(29,310)
Other permanent differences	(4,154)	-
Adjustments to tax charge in respect of previous periods – deferred tax	4,223	(19,245)
Reduction in tax rate on deferred tax balance	(5,147)	-
Rate difference arising on opening/closing amounts of gross timing differences	-	13,385
 Total tax expense included in profit or loss	 <u>54,890</u>	 <u>(198,544)</u>

Factors that may affect future current and total tax charges

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. The deferred tax asset at 31 December 2015 has been calculated based on these rates.

An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. This will reduce the company's future current tax charge accordingly.

Notes (continued)

9 Tangible fixed assets

	Land and buildings	Plant and machinery	Fixtures, fittings, tools and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At beginning of year	2,016,747	701,333	568,430	11,464	3,297,974
Additions	262,784	32,637	51,439	9,264	356,124
Revaluation	2,620,469	-	-	-	2,620,469
Disposals	-	-	-	(11,464)	(11,464)
At end of year	<u>4,900,000</u>	<u>733,970</u>	<u>619,869</u>	<u>9,264</u>	<u>6,263,103</u>
Depreciation					
At beginning of year	32,239	547,215	473,274	9,473	1,062,201
Charge for year	-	60,292	31,195	2,189	93,676
Disposals	(32,239)	-	-	(9,473)	(41,712)
At end of year	<u>-</u>	<u>607,507</u>	<u>504,469</u>	<u>2,189</u>	<u>1,114,165</u>
Net book value					
At 31 December 2015	<u>4,900,000</u>	<u>126,463</u>	<u>115,400</u>	<u>7,075</u>	<u>5,148,938</u>
At 31 December 2014	<u>1,984,508</u>	<u>154,118</u>	<u>95,156</u>	<u>1,991</u>	<u>2,235,773</u>

The following information relates to tangible fixed assets carried on the basis of revaluations in accordance with FRS102 Section 17 Property, Plant and Equipment.

Land and buildings

	2015	2014
	£	£
Historical cost of revalued assets	<u>806,676</u>	<u>543,892</u>

The Company's main asset at Liverpool Road, London N1 1NL was re-valued on the 11th February 2016 by Strettons, Chartered Surveyor, at £4.9m. The valuation is reflected in the financial statements. The directors followed independent advice and allocated 33% of the revaluation to land and 67% to buildings.

Notes (continued)

10 Fixed asset investments

The Company has the following investments in subsidiaries:

	Alison Hayes Romania SRL	Ruby & Ted Clothing Company Ltd	Print Box London Ltd	Total
	£	£	£	£
<i>Cost or valuation</i>				
At beginning & end of year	2,665,313	1	190	2,665,504
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Net book value</i>				
At 31 December 2015 & 31 December 2014	2,665,313	1	190	2,665,504
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The companies in which the Company had an interest at the year end are as follows:

	Country of incorporation	Principal activity	Holding	Percentage of Ordinary Shares Held
<i>Subsidiary undertakings</i>				
Alison Hayes (Romania) SRL	Romania	Manufacture of garments	Ordinary RON 100 Share	99.96%
Ruby & Ted Clothing Company Limited	UK	Manufacture of garments	Ordinary £1 Share	100%
Print Box London Limited	UK	Manufacture of garments	Ordinary £1 Share	95%

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and Reserves at 31/12/2015 £	Profit/(loss) for the year to 31/12/2015 £
Alison Hayes (Romania) SRL	12,657,929	696.604
Ruby & Ted Clothing Company Limited	(495,503)	(39,996)
Print Box London Limited	(31,712)	184,079

11 Stocks

	2015 £	2014 £
Finished goods and goods for resale	293,735	490,523
	<u> </u>	<u> </u>

Notes (continued)

12 Debtors

	2015	2014
	£	£
Trade debtors	2,067,865	2,255,657
Other debtors	80,363	80,554
Prepayments and accrued income	170,150	251,720
Corporation tax	549	549
Deferred tax asset	40,201	-
Loans granted to subsidiaries	695,473	838,145
	3,054,601	3,426,625
	3,054,601	3,426,625

In both the current and prior years, Trade debtors are presented net of the proceeds from the invoice discounting facility as described in note 1.13.

The elements of deferred taxation are as follows:

	2015	2014
	£	£
Provision for deferred tax		
Accelerated capital allowances	(76,012)	(64,457)
Short term timing differences	1,118	7,103
Tax losses carried forward and other deductions	115,095	42,665
Total deferred tax asset/(liability)	40,201	(14,689)
Movement in provision:		
Provision at start of period (liability)/asset	(14,689)	183,855
Deferred tax charged in Statement of comprehensive income for the period	54,890	(198,544)
	40,201	(14,689)
	40,201	(14,689)

13 Current asset investments

	2015	2014
	£	£
Listed investments	1,827	2,290
	1,827	2,290

Notes (continued)

14 Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	176,665	310,706
Amounts owed to parent undertaking	546,537	540,091
Amounts owed to subsidiary undertaking	1,507,013	856,147
Taxation and social security	373,513	487,349
Other creditors	15,003	35,433
Accruals and deferred income	57,078	257,413
	<u>2,675,809</u>	<u>2,487,139</u>

15 Creditors: amounts falling due after more than one year

	2015 £	2014 £
Amounts owed to parent undertaking	156,356	462,707
	<u>156,356</u>	<u>462,707</u>

16 Interest-bearing loans and borrowings

	2015 £	2014 £
Creditors falling due more than one year		
Loans owed to parent undertaking	203,421	283,551
	<u>203,421</u>	<u>283,551</u>

	2015 £	2014 £
Loan from parent undertaking	133,000	147,000
Loan from parent undertaking	70,421	136,551

In 2007 the company borrowed £1,280,000 from the parent company, Synek Limited, to finance the continued growth of the business. Interest is charged at a rate of 2.25% above the 3 month LIBOR rate. At 31 December 2015 the total outstanding balance was £203,421 (2014: £283,551).

Notes (continued)

17 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	2015 £	2014 £
Contributions payable by the Company for the year	89,830	57,162

18 Called up share capital

	2015 £	2014 £
<i>Allotted, called up and fully paid</i>		
1,000,000 ordinary shares of £1 each	1,000,000	1,000,000

19 Reconciliation of movement in shareholders' funds

	2015 £	2014 £
(Loss)/Profit for the financial year	(271,277)	561,336
Retained (Loss)/Profit for the year	(271,277)	561,336
Other recognised gains and losses relating to the year	2,652,708	-
Net increase in shareholders' funds	2,381,431	561,336
Opening shareholders' funds	6,102,337	5,541,001
Closing shareholders' funds	8,483,768	6,102,337

20 Statement of movement on reserves

	Revaluation reserve £	Profit and loss account £
Balance at 1 January 2015	1,580,844	3,521,493
Loss for the year	-	(271,277)
Revaluation of tangible fixed assets	2,652,708	-
Balance at 31 December 2015	4,233,552	3,250,216

Notes (continued)

21 Operating Leases

Non-cancellable operating lease rentals are payable as follows:

	2015		2014	
	Motor Vehicles £	Plant and Machinery £	Motor Vehicles £	Plant and Machinery £
Less than one year	12,329	23,030	12,329	23,030
Between one and five years	5,108	26,869	29,765	49,899
	17,437	49,899	42,094	72,929
	17,437	49,899	42,094	72,929

During the year £29,466 was recognised as an expense in the profit and loss account in respect of operating leases (2014: £25,209).

22 Commitments

At 31 December 2015, the Company had not contracted for any future capital expenditure (2014: £nil).

23 Related party disclosures

Ultimate parent company and parent undertaking

The Company is a wholly owned subsidiary undertaking of Synek Limited which is the ultimate controlling party and ultimate parent company incorporated in Cyprus.

The only group in which the results of the Company are consolidated is that headed by Synek Limited. The consolidated financial statements of Synek Limited are available to the public and may be obtained from Stavros Avenue 56, Kariadides Trading Centre, Block A2, Flat 105, Strovolos, Nicosia, Cyprus. <http://www.companieshousecyprus.com/>

Related party transactions

During the year the Company purchased goods in the ordinary course of business from Alison Hayes (Romania) SRL, a subsidiary undertaking, totalling £31,824,916 (2014: £36,227,897). The company recharged £511,528 (2014: £230,097) of costs incurred to Alison Hayes (Romania) SRL. At the balance sheet date the amount owing to Alison Hayes (Romania) Srl was £2,642,818 (2014: £1,301,723) in addition to the loan as disclosed in Note 16.

During the year the Company purchased goods in the ordinary course of business from Print Box London Limited, a subsidiary undertaking, totalling £25,899 (2014: 388,902). The Company recharged £352,448 (2014: £126,193) of costs incurred to Print Box London Limited. At the balance sheet date the amount owing from Print Box London Limited was £28,875 (2014: owing to £72,647) in addition to the loan receivable of £219,779 (2014: £362,151).

During the year the Company purchased goods in the ordinary course of business from Ruby & Ted Clothing Company Limited, a subsidiary undertaking, totalling £1,211,820 (2014:£ 192,349). The Company recharged £1,309,591 (2014: £121,046) of costs incurred to Ruby & Ted Clothing Company Limited. At the balance sheet date the amount owing from Ruby & Ted Clothing Company Limited was £1,412,519 (2014: owing to £102,928) in addition to the loan receivable of £475,693 (2014: £475,993).

24 Transition to FRS102

Transition from reporting under old UK GAAP to reporting under FRS 102 has not affected the Company's reported financial position and financial performance.

As the concept of linked presentation does not exist under FRS 102, the Trade debtors balance at 31 December 2014 has been re-presented on a net basis in these accounts.