Alison Hayes (UK) Limited

Directors' report and financial statements

Registered number 02241601

31 December 2012

Contents

Directors' report

The directors present their directors' report and financial statements for the year ended 31 December 2012

Principal activity:

The principle activity of the company continued to be that of designers, manufacturers and wholesalers of high quality lady garments

Business review.

The results of the year and the financial position at the year-end have improved over the last year and the directors expect future growth in the coming years

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

Financial highlights	2012	2011	2010
	£	£	£
Gross Sales	39,437,196	32,129,274	30,041,349
Turnover	38,724,661	31,548,477	29,261,858
Gross Profit	**4,617,093**	**3,916,664**	**3,288,274**
Gross Profit margin	11 7%	12 2%	10 9%
(% to gross sales)			
Profit/(loss) before tax	**447,954**	**(334,199)**	**(790,650)**
Profit/(loss) for the financial year	**524,964**	**(111,030)**	**(790,650)**

Gross Sales to 31 December 2012 of £39 million show an increase of 22 7% over the previous year Sales have seen double digit growth due to new accounts arrangements and expanding sales through the retailer's network in Europe

The Directors appreciate the growth in the gross sales and turnover as very good considering the difficult economic environment

Gross profit margin slightly decreased by 50 basis points (bps) in 2012 compared with 2011 Gross margin declined due to the change in the product mix The large volume orders with lower margins were the main contributor to the sales increase, however the fast fashion products remained an important part of our business and continued to bring organic growth

The business has delivered profit according with the budget estimate and the Directors estimate that the business will continue to deliver healthy financial results Therefore we have recognized in the financial statements a deferred tax asset of £300,179 in line with our budget estimate for the next year

The director's financial risk management objective is to maximise financial assets and minimize financial liabilities whilst not engaging in speculative transactions

Trade debtor exposure is covered by the trade insurance policy and the company has strong credit control procedures in place

The company has materially decreased the overdraft exposure and the main vehicle for finance was the invoice discounting facility provided with security over debtors

Directors' report (continued)

Results and dividends:

The results are set out on page 6

The directors do not recommend payment of dividends (2011 Nil)

Principle risks and uncertainties:

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

Economic conditions

We expect that growth should return to the UK economy towards the end of the year and pick up a little pace during 2013 Heavy discounting by retailers and a sharp fall in the world commodity prices has led to a drop in the rate of inflation The fall in inflation has eased the pressure of the households spending, despite wage growth remaining weak We expect that this will give a modest boost to the consumer spending, although households will remain cautious given the relatively weak labour market

Mitigating activities

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

Consumer preferences

The UK market is set to grow in importance for fast fashion and short orders Requests for fast lead time orders 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 modern production facilities and upgrade people skills in order 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 also must manage our currency exposure in Romania and the Far East We need to maintain key manufacturing and supply arrangements and successfully manage our Company production site We must implement, sustain and achieve cost improvement plans that will help to reduce the general overheads and increase competitiveness through cost leadership

Ability to achieve business plans

We are a consumer product 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

Directors' 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

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 July 2010 by Mr RC Rogers, Chartered Surveyor at £1 5 m 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 They consider the next year will show a substantial growth in sales

Arrangement to promote training and equal opportunities

Alison Hayes is committed to create a diverse environment and it is proud to be an equal opportunity employer All the 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

Directors

The directors who held office during the year were as follows

Mr Evelthon Vassiliou
Mr Robert Chamerlain
Mr George Vassiliou
Ms Julie Thompson
Ms Sara Laurell
Mr Nicholas Georghiades
Mr Chrisis Nicolaou
Ms L Tvrtkovic Sahin
Ms Basola Valles

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 auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office

By order of the board

Evelthon Vassiliou
Director

Global House
303 Ballards Lane
London
N12 8NP

April 2013

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

The directors are responsible for preparing 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)

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 the 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

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 2012 set out on pages 6 to 18 The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice)

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 4, 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 (APB'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 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in 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

Nicole Martin (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
8 Salisbury Square, London, EC4Y 8BB
15 April 2013

Profit and Loss Account
for the year ended 31 December 2012

	Note	2012	2011
		£	£
			Re-presented
Gross sales		**39,437,196**	32,129,274
Discounts		**(712,535)**	(580,797)
Turnover	*2*	**38,724,661**	31,548,477
Cost of sales		**(34,107,568)**	(27,631,813)
Gross profit		**4,617,093**	3,916,664
Administrative expenses- Design costs		**(1,656,640)**	(1,613,858)
Administrative expenses- Selling and other		**(2,332,444)**	(2,456,658)
Total administrative expenses		**(3,989,084)**	(4,070,516)
Operating profit/(loss)		**628,009**	(153,852)
Income from other fixed asset investments	*6*	**-**	4,891
Other interest receivable and similar income	*7*	**28,106**	56
Interest payable and similar charges	*8*	**(160,967)**	(150,768)
Foreign exchange loss		**(47,194)**	(34,523)
Profit/(loss) on ordinary activities before taxation		**447,954**	(334,199)
Tax on profit/(loss) on ordinary activities	*9*	**77,010**	223,169
Profit/(loss) for the financial year	*20*	**524,964**	(111,030)

Statement of Total Recognised Gains and Losses
Year ended 31 December 2012

The company had no recognised gains or losses in either year, other than those disclosed in the profit and loss account

Balance Sheet
at 31 December 2012

	Note	2012 £	£	£	2011 £	£	£
Fixed assets							
Tangible assets	10			1,596,757			1,619,091
Investments	11			2,665,311			2,665,210
				4,262,068			4,284,301
Current assets							
Stocks	12		312,786			262,445	
Gross debtors	13	5,638,956			4,515,742		
Less Non-returnable proceeds	14	(3,122,175)			-		
Debtors			2,516,781			4,515,742	
Investments	15		2,761			6,771	
Cash at bank and in hand			142,766			107,521	
			2,975,094			4,892,479	
Creditors: amounts falling due within one year	16		(1,653,252)			(3,920,709)	
Net current assets				1,321,842			971,770
Total assets less current liabilities				5,583,910			5,256,071
Creditors: amounts falling due after more than one year	17			(729,670)			(926,795)
Net Assets				4,854,240			4,329,276
Capital and reserves							
Called up share capital	19			1,000,000			1,000,000
Revaluation reserve	21			1,181,553			1,181,553
Profit and loss account	21			2,672,687			2,147,723
Shareholders' funds	20			4,854,240			4,329,276

These financial statements were approved by the board of directors on 2013 and were signed on its behalf by

Mr Evelthon Vassilou
Director

Company registered number 02241601

Note of Historical Cost Profits and Losses
for the year ended 31 December 2012

	2012 £	2011 £
Reported profit/(loss) on ordinary activities before taxation	**447,954**	(334,199)
Difference between a historical cost depreciation charge and the actual depreciation charge calculated on the revalued amount	**10,876**	10,876
Historical cost profit/(loss) on ordinary activities before taxation	**458,830**	(323,323)
Historical cost profit/(loss) for the year retained after taxation and dividends	**535,840**	(100,154)

Notes
(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below

1.1 Basis of preparation

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

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements

As the Company is a wholly owned subsidiary of Synek Limited, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group

The Company is exempt by virtue of Section 400 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

Certain items in 2011 have been re-presented in these financial statements to ensure comparability with the current year presentation This has resulted in no impact to the gross margin or loss for the financial year

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents amounts receivable for goods and services in relation to the Company's principal activity, net of VAT and settlement discounts Discounts offered to customers in compensation of their contribution to the supply chain such as stocking and distributing the goods are reported in the cost of goods sold

1.4 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

1.5 Investments

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

1.6 Stock

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

1.7 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

Notes *(continued)*

1 Accounting policies *(continued)*

1.8 Taxation

The charge for taxation is based on the profit/(loss) 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 FRS 19

1.9 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

1.10 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

2 Analysis of turnover

The total turnover of the company has been derived from its principal activity wholly undertaken in the United Kingdom

3 Notes to the profit and loss account

	2012	2011
	£	£
Profit/(loss) on ordinary activities before taxation is stated after charging:		
Depreciation and other amounts written off tangible fixed assets	**69,039**	58,250
Auditors' remuneration	**21,500**	20,000
Impairment of investments (held as current assets)	**4,010**	43,229

4 Remuneration of directors

	2012	2011
	£	£
Directors' emoluments	**400,617**	368,750
Company contributions to money purchase pension schemes	**20,791**	28,475
	421,408	397,225

Emoluments disclosed above include £194,658 *(2011 £160,000)* paid to the highest paid director Company pension contributions of £13,064 *(2011 £12,000)* were made to a money purchase scheme on his behalf

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 *(2011 3)*

Notes *(continued)*

5 Staff numbers and cost

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

	Number of employees 2012	2011
Design Room	**42**	41
Sales	**11**	11
Admin	**5**	5
Productions	**10**	12
Directors	**4**	4
	72	73

The aggregate payroll costs of these persons were as follows

	2012 £	2011 £
Wages and salaries	**2,615,499**	2,600,440
Social security costs	**290,344**	276,008
Other pension costs	**47,828**	57,519
	2,953,671	2,933,967

6 Income from other fixed asset investments

	2012 £	2011 £
Income from fixed asset investments	**-**	4,891

7 Other interest receivable and similar income

	2012 £	2011 £
Bank interest	**28,106**	56

8 Interest payable and similar charges

	2012 £	2011 £
On bank loans and overdrafts	**86,492**	74,279
On amounts payable to group companies	**29,395**	32,072
Bank charges	**45,080**	44,417
	160,967	150,768

Notes *(continued)*

9 Taxation

Analysis of charge in period

	2012	2011
	£	£
UK corporation tax		
Current tax on income for the period	-	-
Total current tax	-	-
Deferred tax (see note 14)		
Origination/reversal of timing differences	**(4,425)**	(14,941)
Losses carried forward	**81,435**	238,110
Total deferred tax credit	**77,010**	223,169
Tax credit on profit/(loss) on ordinary activities	**77,010**	223,169

Factors affecting the tax charge for the current period

The current tax charge for the period is lower *(2011 higher)* than the standard rate of corporation tax in the UK (24 5%, *2011 26 5%*) The differences are explained below

	2012	2011
	£	£
Current tax reconciliation		
Profit/(loss) on ordinary activities before tax	**447,954**	(334,199)
Current tax at 24 5% *(2011 26 5%)*	**109,748**	(88,563)
Effects of		
Expenses not deductible for tax purposes	**8,155**	(28,767)
Depreciation for period in excess of Capital Allowances	**4,861**	5,985
Utilisation of tax losses	**(122,764)**	-
Carry forward of tax losses	-	111,345
Total current tax credit (see above)	-	-

Factors that may affect future current and total tax charges

The 2013 Budget, announced on 20 March 2012, stated that the UK corporation tax rate will reduce to 21% by 2014 A reduction in the rate from 24% to 23% (effective from 1 April 2013) was substantively enacted on 3 July 2012, and a further reduction to 21% (effective from 1 April 2014) which has not yet been substantively enacted

This will reduce the company's future current tax charge accordingly and further reduce the deferred tax asset at 31 December 2012 (which has been calculated based on the rate of 23% substantively enacted at the balance sheet date)

It has not yet been possible to quantify the full anticipated effect of the announced further 2% rate reduction, although this will further reduce the company's future current tax charge and reduce the company's deferred tax asset accordingly

The Company has trading losses of £1,324,367 *(2011 £1,825,077)* available to utilise against future taxable profits

Notes *(continued)*

10 Tangible fixed assets

	Land and buildings	Plant and machinery	Fixtures, fittings, tools and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At beginning of year	1,500,000	539,003	480,535	65,720	2,585,258
Additions	-	46,439	266	-	46,705
Disposals	-	-	-	(3,900)	(3,900)
At end of year	1,500,000	585,442	480,801	61,820	2,628,063
Depreciation					
At beginning of year	23,919	439,792	456,371	46,085	966,167
Charge for year	23,985	34,046	6,085	4,923	69,039
Disposals	-	-	-	(3,900)	(3,900)
At end of year	47,904	473,838	462,456	47,108	1,031,306
Net book value					
At 31 December 2012	**1,452,096**	**111,604**	**18,345**	**14,712**	**1,596,757**
At 31 December 2011	1,476,081	99,211	24,164	19,635	1,619,091

The following information relates to tangible fixed assets carried on the basis of revaluations in accordance with FRS 15 *Tangible fixed assets*

Land and buildings

	2012	2011
	£	£
Historical cost of revalued assets	**543,892**	543,892
Aggregate depreciation thereon	**(183,573)**	(170,530)
Historical cost net book value	**360,319**	373,362

The company's main asset at Liverpool Road, London N1 1NL was revalued in July 2012 by Mr R C Rogers, Chartered Surveyor, at £1 5m The valuation is reflected in the financial statements

Notes *(continued)*

11 Fixed asset investments

	Alison Hayes Romania SRL	Ruby & Ted Clothing Company Ltd	Print Box London Ltd	Ah Moda	Total
	£	£	£	£	£
Cost or valuation					
At beginning of year	2,650,210	-	-	15,000	2,665,210
Additions	-	1	100	-	101
At end of year	2,650,210	1	100	15,000	2,665,311
Net book value					
At 31 December 2012	**2,650,210**	**1**	**100**	**15,000**	**2,665,311**
At 31 December 2011	2,650,210	-	-	15,000	2,665,210

The Companies in which the Company's interest at the year end is more than 20% is as follows

Subsidiary undertakings	**Country of incorporation**	**Principal activity**	**Percentage of Ordinary Shares Held**
Alison Hayes (Romania) SRL	Romania	Manufacture of garments	99 96%
Ruby & Ted Clothing Company Limited	UK	Manufacture of garments	80%
Print Box London Limited	UK	Manufacture of garments	100%

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 31/12/2012	Profit/(loss) for the year to 31/12/2012
	£	£
Alison Hayes (Romania) SRL	8,919,469	492,037
Ruby & Ted Clothing Company Limited	2	(213,000)
Print Box London Limited	100	(114,684)

12 Stocks

	2012	2011
	£	£
Finished goods and goods for resale	**312,786**	262,445

Notes *(continued)*

13 Debtors

	2012	2011
	£	£
Trade debtors	**4,649,357**	4,182,212
Other debtors	**33,679**	21,868
Prepayments and accrued income	**161,678**	87,945
Corporation tax	**549**	548
Deferred tax asset	**300,179**	223,169
Loans granted to subsidiaries	**493,514**	-
	5,638,956	4,515,742

The elements of deferred taxation are as follows

	2012	2011
	£000	£000
Difference between accumulated depreciation and amortisation and capital allowances	**(4,425)**	(14,941)
Tax Losses	**304,604**	238,110
Deferred tax asset	**300,179**	223,169

The company has losses carried forward of £1,324,367 *(2011 £1,825,077)* of which £304,604 have been recognised as a deferred tax asset *(2011 £223,169)*

14 Invoice Discount Facility

	2012	2011
	£	£
Non-returnable proceeds	**3,122,175**	-

The criteria for linked presentation are met as the entity is not obliged to support any losses, nor does it intend to do so

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 Company has an invoice discounting arrangement with a maximum credit limit of £5 000 000 but not greater than the debtor ledger at any point in time The Company is entitled to pre pay up to 85% 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

Notes *(continued)*

15 Investments (held as current assets)

	2012	2011
	£	£
Listed investments	**2,761**	6,771

At the date of signing the financial statements the market value of the listed investments was approximately £2,336 *(2011 £3,621)*

16 Creditors: amounts falling due within one year

	2012	Re-presented 2011
	£	£
Bank overdrafts	**30,699**	25,507
Invoice discounting facility	**-**	1,828,303
Trade creditors	**170,940**	39,004
Amounts owed to parent undertaking	**163,000**	138,000
Amounts owed to subsidiary undertaking	**676,538**	1,140,494
Taxation and social security	**507,551**	485,008
Other creditors	**18,289**	18,383
Accruals and deferred income	**86,235**	246,010
	1,653,252	3,920,709

The bank overdraft and other facilities were secured by a first legal charge over all the assets of the company in the prior year and all assets except the financed debtors in the current year

17 Creditors: amounts falling due after more than one year

	2012	2011
	£	£
Other loans – amounts owed to parent undertaking	**729,670**	926,795
Analysis of loans		
Repayable after five years by instalments	**317,156**	373,156
Wholly repayable within five years	**575,514**	691,639
	892,670	1,064,795
Included in current liabilities	**(163,000)**	(138,000)
	729,670	926,795

Notes *(continued)*

17 Creditors. amounts falling due after more than one year *(continued)*

	2012	2011
	£	£
Loan maturity analysis		
In more than one year but not more than two years	**312,000**	138,000
In more than two years, but not more than five years	**100,514**	415,639
In more than five years	**317,156**	373,156
	729,670	926,795

In 2010 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 2012 the total outstanding balance was £892,670 (2011 £1,064,795)

18 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

	2012	2011
	£	£
Contributions payable by the company for the year	**47,828**	57,519

There were no outstanding or prepaid contributions at either the beginning or end of the financial year

19 Called up share capital

	2012	2011
	£	£
Authorised		
1,000,000 ordinary shares of £1 each	**1,000,000**	1,000,000
Allotted, called up and fully paid		
1,000,000 ordinary shares of £1 each	**1,000,000**	1,000,000

Notes *(continued)*

20 Reconciliation of movement in shareholders' funds

	2012 £	2011 £
Profit/(loss) for the financial year	**524,964**	(111,030)
Retained profit/(loss)	**524,964**	(111,030)
Other recognised gains and losses relating to the year	-	-
Net increase/(reduction) in shareholders' funds	**524,964**	(111,030)
Opening shareholders' funds	**4,329,276**	4,440,306
Closing shareholders' funds	**4,854,240**	4,329,276

21 Statement of movement on reserves

	Revaluation reserve £	Profit and loss account £
Balance at 1 January 2012	1,181,553	2,147,723
Profit for the year	-	524,964
Balance at 31 December 2012	**1,181,553**	**2,672,687**

22 Related party disclosures

Ultimate parent company and parent undertaking of larger group of which the company is a member

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

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 £29,984,653 (2011 £24,273,820) The company recharged £335,745 (2011 £263,679) of costs incurred to Alison Hayes (Romania) SRL At the balance sheet date the amount owing to Alison Hayes (Romania) Srl was £676,537 (2011 £1,140,694) in addition to the loan as disclosed in Note 18

The company recharged £194,347 (2011 nil) of costs incurred to Print Box London Limited At the balance sheet date the amount owing from Print Box London Limited was £223,391 (2011 nil)

During the year the company purchased goods in the ordinary course of business from Ruby & Ted Clothing Company Limited, a subsidiary undertaking, totalling £218,245 (2011 nil) The company recharged £178,106 (2011 nil) of costs incurred to Ruby & Ted Clothing Company Limited At the balance sheet date the amount owing from Ruby & Ted Clothing Company Limited was £270,123 (2011 nil)