

Registration number: 05219123

Absolute Apparel Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2017

Ian Richmond Limited
Chartered Accountants
Church Cottage
Church Road
Tettenhall
Wolverhampton
West Midlands
WV6 9AJ



Absolute Apparel Limited

Contents

Company Information	1
Strategic Report	2
Directors' Report	3
Statement of Directors' Responsibilities	4
Independent Auditor's Report	5 to 7
Profit and Loss Account	8
Statement of Comprehensive Income	9
Balance Sheet	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
Notes to the Financial Statements	13 to 21

Absolute Apparel Limited

Company Information

Directors Mr Anil Jheinga
Mrs Narinder Jheinga

Company secretary Mrs Narinder Jheinga

Registered office Racecourse Road
Wolverhampton
West Midlands
WV6 0QD

Auditors Ian Richmond Limited
Chartered Accountants
Church Cottage
Church Road
Tettenhall
Wolverhampton
West Midlands
WV6 9AJ

Absolute Apparel Limited

Strategic Report for the Year Ended 31 December 2017

The directors present their strategic report for the year ended 31 December 2017.

Principal activity

The principal activity of the company is the wholesale of clothing and workwear

Fair review of the business

The Directors consider the trading performance in the current year to be excellent. The company has managed to achieve significant growth in turnover whilst still maintaining margins. The company continues to make significant investment and is in a good position to achieve further growth in the coming year.

The company's key financial and other performance indicators during the year were as follows:

	Unit	2017	2016
Turnover	£m	21	17
Gross Profit	%	14	15

Principal risks and uncertainties

The company continues to recognise areas of risk to the success of the business and is always looking at ways to minimise these risks and any investment required to mitigate risk and uncertainty is given priority.

Approved by the Board on 30 July 2018 and signed on its behalf by:



Mr Anil Jheinga
Director

Absolute Apparel Limited

Directors' Report for the Year Ended 31 December 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

Directors of the company

The directors who held office during the year were as follows:

Mr Anil Jheinga

Mrs Narinder Jheinga - Company secretary and director

Financial instruments

Objectives and policies

The company's operations expose it to a variety of financial risks that include the effects of changes in debt market prices, credit risk, liquidity risk and interest rate risk. The company seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs.

Price risk, credit risk, liquidity risk and cash flow risk

Price Risk

The company is exposed to commodity price risk as a result of operations. However given their size, the costs of managing exposure to commodity price risk exceed any potential benefits. The directors will revisit this policy should the company's operations change in size or nature.

Credit Risk

The company has implemented policies that require appropriate credit checks on customers before sales are made and operate within credit insured limits for the majority of customers.

Liquidity Risk

The company aims to mitigate liquidity risk by managing cash generation and expenditure. Cash collection and working capital targets are set monthly and the company utilises a mixture of finance options to ensure sufficient funds are available for operations and planned expansion.

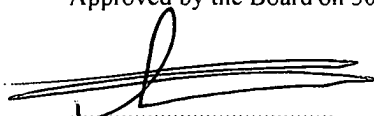
Interest Rate Cash Flow Risk

The company is exposed to interest rate risk arising from future interest payments on variable rate debt. The cost of managing this exposure exceeds any potential benefits. The directors will revisit this policy should the company's operations change in size or nature.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 30 July 2018 and signed on its behalf by:



Mr Anil Jheinga
Director

Absolute Apparel Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Absolute Apparel Limited

Independent Auditor's Report to the Members of Absolute Apparel Limited

Opinion

We have audited the financial statements of Absolute Apparel Limited (the 'company') for the year ended 31 December 2017, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom 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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Absolute Apparel Limited

Independent Auditor's Report to the Members of Absolute Apparel Limited

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

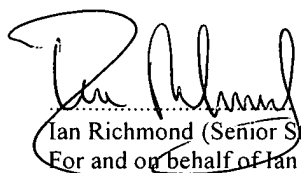
As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

Absolute Apparel Limited

Independent Auditor's Report to the Members of Absolute Apparel Limited

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Ian Richmond (Senior Statutory Auditor)
For and on behalf of Ian Richmond Limited, Statutory Auditor

Church Cottage
Church Road
Tettenhall
Wolverhampton
West Midlands
WV6 9AJ

30 July 2018

Absolute Apparel Limited

Profit and Loss Account for the Year Ended 31 December 2017

	Note	2017 £	2016 £
Turnover	3	21,199,117	17,076,342
Cost of sales		<u>(18,252,727)</u>	<u>(14,553,160)</u>
Gross profit		2,946,390	2,523,182
Administrative expenses		<u>(2,102,558)</u>	<u>(1,818,436)</u>
Operating profit	4	<u>843,832</u>	<u>704,746</u>
Other interest receivable and similar income	5	312	151
Interest payable and similar expenses	6	<u>(93,202)</u>	<u>(24,248)</u>
		<u>(92,890)</u>	<u>(24,097)</u>
Profit before tax		750,942	680,649
Taxation	9	<u>(163,333)</u>	<u>(145,150)</u>
Profit for the financial year		<u><u>587,609</u></u>	<u><u>535,499</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

Absolute Apparel Limited

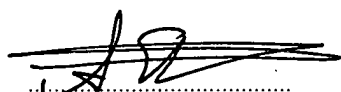
Statement of Comprehensive Income for the Year Ended 31 December 2017

	2017 £	2016 £
Profit for the year	<u>587,609</u>	<u>535,499</u>
Total comprehensive income for the year	<u><u>587,609</u></u>	<u><u>535,499</u></u>

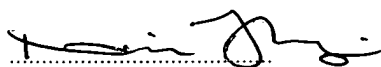
Absolute Apparel Limited
(Registration number: 05219123)
Balance Sheet as at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	10	3,483,579	3,012,916
Current assets			
Stocks	11	4,462,422	3,570,335
Debtors	12	3,136,053	3,044,943
Cash at bank and in hand		<u>428,736</u>	<u>488,513</u>
		8,027,211	7,103,791
Creditors: Amounts falling due within one year	14	<u>(7,229,984)</u>	<u>(6,082,352)</u>
Net current assets		<u>797,227</u>	<u>1,021,439</u>
Total assets less current liabilities		4,280,806	4,034,355
Creditors: Amounts falling due after more than one year	14	(2,238,057)	(2,440,215)
Provisions for liabilities	15	<u>(17,000)</u>	<u>(6,000)</u>
Net assets		<u>2,025,749</u>	<u>1,588,140</u>
Capital and reserves			
Called up share capital	17	376	376
Profit and loss account		<u>2,025,373</u>	<u>1,587,764</u>
Total equity		<u>2,025,749</u>	<u>1,588,140</u>

Approved and authorised by the Board on 30 July 2018 and signed on its behalf by:



Mr Anil Jheinga
Director



Mrs Narinder Jheinga
Company secretary and director

Absolute Apparel Limited

Statement of Changes in Equity for the Year Ended 31 December 2017

	Share capital £	Profit and loss account £	Total £
At 1 January 2017	376	1,587,764	1,588,140
Profit for the year	-	587,609	587,609
Total comprehensive income	-	587,609	587,609
Dividends	-	(150,000)	(150,000)
At 31 December 2017	376	2,025,373	2,025,749
		Profit and loss	Total
	Share capital £	account £	£
At 1 January 2016	376	1,222,265	1,222,641
Profit for the year	-	535,499	535,499
Total comprehensive income	-	535,499	535,499
Dividends	-	(170,000)	(170,000)
At 31 December 2016	376	1,587,764	1,588,140

Absolute Apparel Limited

Statement of Cash Flows for the Year Ended 31 December 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Profit for the year		587,609	535,499
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	4	33,220	21,111
Finance income	5	(312)	(151)
Finance costs	6	93,202	24,248
Income tax expense	9	163,333	145,150
		<u>877,052</u>	<u>725,857</u>
Working capital adjustments			
(Increase)/decrease in stocks	11	(892,087)	410,460
Increase in trade debtors	12	(91,110)	(666,839)
Increase in trade creditors	14	1,451,038	103,012
Cash generated from operations		1,344,893	572,490
Income taxes paid	9	(142,633)	(156,150)
Net cash flow from operating activities		<u>1,202,260</u>	<u>416,340</u>
Cash flows from investing activities			
Interest received	5	312	151
Acquisitions of tangible assets		<u>(503,883)</u>	<u>(2,978,804)</u>
Net cash flows from investing activities		<u>(503,571)</u>	<u>(2,978,653)</u>
Cash flows from financing activities			
Interest paid	6	(93,202)	(24,248)
Proceeds from other borrowing draw downs		-	3,117,168
Repayment of other borrowing		(515,264)	-
Dividends paid	20	(150,000)	(170,000)
Net cash flows from financing activities		<u>(758,466)</u>	<u>2,922,920</u>
Net (decrease)/increase in cash and cash equivalents		(59,777)	360,607
Cash and cash equivalents at 1 January		<u>488,513</u>	<u>127,906</u>
Cash and cash equivalents at 31 December		<u><u>428,736</u></u>	<u><u>488,513</u></u>

The notes on pages 13 to 21 form an integral part of these financial statements.

Absolute Apparel Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

1 General information

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is:

Racecourse Road
Wolverhampton
West Midlands
WV6 0QD
England

These financial statements were authorised for issue by the Board on 30 July 2018.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Absolute Apparel Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Land & buildings	20%pa straight line basis
Plant & machinery	25% pa reducing value basis
Fixtures & fittings	25% pa reducing value basis
Computer equipment	33.33% pa straight line basis

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Absolute Apparel Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2017	2016
	£	£
Sale of goods	<u>21,199,117</u>	<u>17,076,342</u>

Absolute Apparel Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

4 Operating profit

Arrived at after charging/(crediting)

	2017 £	2016 £
Depreciation expense	<u>33,220</u>	<u>21,111</u>

5 Other interest receivable and similar income

	2017 £	2016 £
Interest income on bank deposits	<u>312</u>	<u>151</u>

6 Interest payable and similar expenses

	2017 £	2016 £
Interest on bank overdrafts and borrowings	-	10,987
Interest expense on other finance liabilities	<u>93,202</u>	<u>13,261</u>
	<u>93,202</u>	<u>24,248</u>

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2017 £	2016 £
Wages and salaries	894,158	807,093
Social security costs	59,692	64,173
Other short-term employee benefits	7,531	6,272
Pension costs, defined contribution scheme	5,129	3,941
Other employee expense	<u>4,976</u>	<u>32,329</u>
	<u>971,486</u>	<u>913,808</u>

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

	2017 No.	2016 No.
Administration and support	2	2
Sales, marketing and distribution	<u>34</u>	<u>39</u>
	<u>36</u>	<u>41</u>

Absolute Apparel Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2017 £	2016 £
Remuneration	<u>33,434</u>	<u>32,779</u>

9 Taxation

Tax charged/(credited) in the income statement

	2017 £	2016 £
Current taxation		
UK corporation tax	149,700	140,000
UK corporation tax adjustment to prior periods	<u>2,633</u>	<u>(850)</u>
	152,333	139,150

Deferred taxation

Arising from origination and reversal of timing differences

	<u>11,000</u>	<u>6,000</u>
Tax expense in the income statement	<u>163,333</u>	<u>145,150</u>

Deferred tax

Absolute Apparel Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

10 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Other tangible assets £	Total £
Cost or valuation				
At 1 January 2017	3,023,921	138,976	57,547	3,220,444
Additions	424,508	25,775	53,600	503,883
Disposals	(58,709)	-	-	(58,709)
At 31 December 2017	<u>3,389,720</u>	<u>164,751</u>	<u>111,147</u>	<u>3,665,618</u>
Depreciation				
At 1 January 2017	46,967	127,764	32,797	207,528
Charge for the year	11,742	4,815	16,663	33,220
Eliminated on disposal	(58,709)	-	-	(58,709)
At 31 December 2017	<u>-</u>	<u>132,579</u>	<u>49,460</u>	<u>182,039</u>
Carrying amount				
At 31 December 2017	<u>3,389,720</u>	<u>32,172</u>	<u>61,687</u>	<u>3,483,579</u>
At 31 December 2016	<u>2,976,954</u>	<u>11,212</u>	<u>24,750</u>	<u>3,012,916</u>

Included within the net book value of land and buildings above is £3,389,720 (2016 - £2,965,212) in respect of freehold land and buildings and £Nil (2016 - £11,742) in respect of short leasehold land and buildings.

11 Stocks

	2017 £	2016 £
Other inventories	<u>4,462,422</u>	<u>3,570,335</u>

12 Debtors

	2017 £	2016 £
Trade debtors	3,009,807	2,532,564
Other debtors	-	332,389
Prepayments	<u>126,246</u>	<u>179,990</u>
Total current trade and other debtors	<u>3,136,053</u>	<u>3,044,943</u>

Absolute Apparel Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

13 Cash and cash equivalents

	2017 £	2016 £
Cash on hand	72	72
Cash at bank	334,169	152,145
Short-term deposits	94,495	336,296
	<u>428,736</u>	<u>488,513</u>

14 Creditors

	Note	2017 £	2016 £
Due within one year			
Loans and borrowings	18	2,116,304	2,429,410
Trade creditors		4,754,341	3,362,148
Amounts due to related parties		3,152	3,152
Social security and other taxes		186,927	22,842
Other payables		17,560	-
Accrued expenses		2,000	124,800
Income tax liability	9	149,700	140,000
		<u>7,229,984</u>	<u>6,082,352</u>
Due after one year			
Loans and borrowings	18	<u>2,238,057</u>	<u>2,440,215</u>

15 Deferred tax and other provisions

	Deferred tax £	Total £
At 1 January 2017	6,000	6,000
Increase (decrease) in existing provisions	<u>11,000</u>	<u>11,000</u>
At 31 December 2017	<u>17,000</u>	<u>17,000</u>

16 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £5,129 (2016 - £3,941).

Absolute Apparel Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

17 Share capital

Allotted, called up and fully paid shares

	2017		2016	
	No.	£	No.	£
Ordinary of £1 each	<u>376</u>	<u>376</u>	<u>376</u>	<u>376</u>

18 Loans and borrowings

	2017	2016
	£	£
Non-current loans and borrowings		
Bank borrowings	<u>2,238,057</u>	<u>2,440,215</u>
Current loans and borrowings		
Bank borrowings	521,597	845,989
Other borrowings	<u>1,594,707</u>	<u>1,583,421</u>
	<u>2,116,304</u>	<u>2,429,410</u>

Bank borrowings

Loan 1 is denominated in sterling with a nominal interest rate of 3.25%, and the final instalment is due on 14 October 2041. The carrying amount at year end is £972,606 (2016 - £997,522).

The loan is secured by a first charge over the company's freehold land and buildings.

The loan was for an initial amount of £1,000,000 and is repayable by 300 monthly installments commencing October 2016.

Loan 2 is denominated in Sterling with a nominal interest rate of 3.27%, and the final instalment is due on 14 November 2041. The carrying amount at year end is £838,379 (2016 - £859,785).

The loan is secured by a first charge over the company's freehold land and buildings

The loan was for an initial amount of £861,920 and is repayable by 300 monthly installments commencing October 2016.

Loan 3 is denominated in Sterling with a nominal interest rate of 2.71%, and the final instalment is due on 14 November 2021. The carrying amount at year end is £634,820 (2016 - £785,409).

The loan is secured by a first charge over the company's freehold land and buildings.

The loan was for an initial sum of £797,970 and is repayable by 60 monthly installments commencing October 2016.

Included in the loans and borrowings are the following amounts due after more than five years:

	2017	2016
	£	£
After more than five years by instalments	<u>1,473,852</u>	<u>1,577,286</u>

Absolute Apparel Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

19 Obligations under leases and hire purchase contracts

- Finance leases

The total of future minimum lease payments is as follows:

	2017 £	2016 £
Not later than one year	-	119,840

20 Dividends

	2017 £	2016 £
Interim dividend of £398.94 (2016 - £452.13) per ordinary share	150,000	170,000