

Company Registration No. 02840222 (England and Wales)

Randa Accessories UK Limited

Annual report and consolidated financial statements

for the year ended 31 December 2016

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Randa Accessories UK Limited

Company information

Directors	J Spiegel (USA) B Kovaly (USA) J Hastings (USA)
Secretary	Purple Venture Secretaries Limited
Company number	02840222
Registered office	12th Floor Capital House 25 Chapel Street London NW1 5DH
Auditor	Henderson Loggie The Vision Building 20 Greenmarket Dundee DD1 4QB
Business address	Eastfield Industrial Estate Glenrothes Fife KY7 4NX
Bankers	Royal Bank of Scotland 3 Falkland Gate Kingdom Centre Glenrothes KY7 5NS

Randa Accessories UK Limited

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Randa Accessories UK Limited

Strategic report

for the year ended 31 December 2016

The directors present the strategic report for the year ended 31 December 2016.

Fair review of the business

The group made a pre-tax profit of £167,801 (2015 - £278,125) on turnover of £5,808,188 (2015 - £6,609,308) for the year ended 31 December 2016. This drop in performance is twofold. The group has realigned some of its operations in China which has meant a drop in commissions received and thus profit made by the group. Then also within the local market we have seen some of the major retailers reduce or remove their formal attire lines, which has had a direct impact on neckwear sales to these customers.

Principal risks and uncertainties

The principal risks and uncertainties facing the group are continuing price pressure and amount of formal lines being stocked by the major retailers. This coupled with any downturn in consumer spending, as UK inflation is on the increase, especially in the fuel and grocery sector, which leaves less disposable income.

The group's purchases are mainly in foreign currencies. The group uses foreign currency forward contracts to hedge against currency risk exposure. However, since the Brexit vote on the 23rd June 2016, the currencies are notably more volatile, moving on both Political and Economic news.

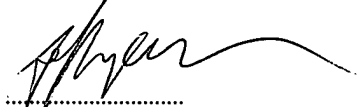
Development and performance

The Directors expect the financial performance in the year to 31 December 2017 to continue to be satisfactory, in albeit in a very tough market place. Various licensing arrangements for branded lines are currently being investigated and, this coupled with continuing trend-right design and strong customer relationships, will continue to push the business forward.

Key performance indicators

In the opinion of the directors there are no key performance indicators whose disclosure is necessary for an understanding of the development, performance or position of the business.

On behalf of the board



J Spiegel (USA)

Director

27 APRIL 2017

Randa Accessories UK Limited

Directors' report

for the year ended 31 December 2016

The directors present their annual report and financial statements for the year ended 31 December 2016.

Principal activities

The principal activity of the company and group continued to be the sale and distribution of neckwear.

Directors

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

J Spiegel (USA)
B Kovaly (USA)
J Hastings (USA)

Results and dividends

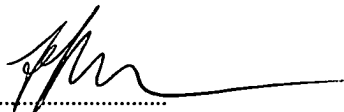
The results for the year are set out on page 6.

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

Statement of disclosure to auditor

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

On behalf of the board



J Spiegel (USA)

Director

27 APRIL 2017

Randa Accessories UK Limited

Directors' responsibilities statement

for the year ended 31 December 2016

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

Randa Accessories UK Limited

Independent Auditor's report

to the members of Randa Accessories UK Limited

We have audited the financial statements of Randa Accessories UK Limited for the year ended 31 December 2016 which comprise the Group Statement of Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2016 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.

Randa Accessories UK Limited

Independent Auditor's report (continued)

to the members of Randa Accessories UK Limited

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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

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

Henderson Loggie

**Gavin Black (Senior Statutory Auditor)
for and on behalf of Henderson Loggie**

27/4/17

**Chartered Accountants
Statutory Auditor**

The Vision Building
20 Greenmarket
Dundee
DD1 4QB

Randa Accessories UK Limited

Group statement of comprehensive income

for the year ended 31 December 2016

	Notes	2016 £	2015 £
Turnover	3	5,808,188	6,609,308
Cost of sales		(3,967,764)	(4,586,484)
Gross profit		1,840,424	2,022,824
Distribution costs		(1,306,350)	(1,149,316)
Administrative expenses		(447,347)	(665,514)
Other operating income		203	4,455
Operating profit	4	86,930	212,449
Interest receivable and similar income	8	80,871	65,676
Profit before taxation		167,801	278,125
Taxation	9	(49,279)	(58,894)
Profit for the financial year	21	118,522	219,231
Other comprehensive income			
Currency translation differences		333,300	13,108
Total comprehensive income for the year		451,822	232,339

Profit for the financial year is all attributable to the owners of the parent company.

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

The profit and loss account has been prepared on the basis that all operations are continuing operations.

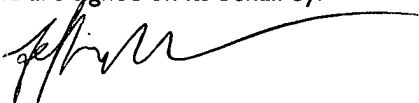
Randa Accessories UK Limited

Group Balance Sheet

as at 31 December 2016

	Notes	2016 £	2015 £
Fixed assets			
Tangible assets	10	249,518	222,616
Current assets			
Stocks	14	419,877	593,888
Debtors	15	1,893,447	3,050,286
Cash at bank and in hand		9,763,105	7,908,659
		<u>12,076,429</u>	<u>11,552,833</u>
Creditors: amounts falling due within one year	16	<u>(1,153,934)</u>	<u>(1,054,151)</u>
Net current assets		<u>10,922,495</u>	<u>10,498,682</u>
Total assets less current liabilities		<u>11,172,013</u>	<u>10,721,298</u>
Creditors: amounts falling due after more than one year	17	(12,921)	(15,495)
Provisions for liabilities	18	(14,731)	(13,264)
Net assets		<u><u>11,144,361</u></u>	<u><u>10,692,539</u></u>
Capital and reserves			
Called up share capital	20	200,000	200,000
Other reserves	21	484,602	151,302
Profit and loss reserves	21	10,459,759	10,341,237
Total equity		<u><u>11,144,361</u></u>	<u><u>10,692,539</u></u>

The financial statements were approved by the board of directors and authorised for issue on 22 April 2017 and are signed on its behalf by:



 J Spiegel (USA)
 Director

Randa Accessories UK Limited

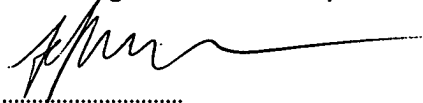
Company Balance Sheet

as at 31 December 2016

	Notes	2016 £	2015 £
Fixed assets			
Tangible assets	10	193,431	145,216
Investments	11	132,626	132,626
		<u>326,057</u>	<u>277,842</u>
Current assets			
Stocks	14	419,877	593,611
Debtors	15	1,601,085	2,685,560
Cash at bank and in hand		6,944,519	5,520,873
		<u>8,965,481</u>	<u>8,800,044</u>
Creditors: amounts falling due within one year	16	<u>(1,111,483)</u>	<u>(1,013,943)</u>
Net current assets		<u>7,853,998</u>	<u>7,786,101</u>
Total assets less current liabilities		<u>8,180,055</u>	<u>8,063,943</u>
Creditors: amounts falling due after more than one year	17	(12,921)	(15,495)
Provisions for liabilities	18	(14,731)	(13,264)
Net assets		<u>8,152,403</u>	<u>8,035,184</u>
Capital and reserves			
Called up share capital	20	200,000	200,000
Profit and loss reserves	21	7,952,403	7,835,184
Total equity		<u>8,152,403</u>	<u>8,035,184</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £117,219 (2015 - £235,098 profit).

The financial statements were approved by the board of directors and authorised for issue on 27 April 2017 and are signed on its behalf by:



J Spiegel (USA)
Director

Company Registration No. 02840222

Randa Accessories UK Limited

**Group statement of changes in equity
for the year ended 31 December 2016**

	Notes	Share capital £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 January 2015		200,000	138,194	10,122,006	10,460,200
Year ended 31 December 2015:					
Profit for the year		-	-	219,231	219,231
Other comprehensive income:					
Currency translation differences on overseas subsidiaries		-	13,108	-	13,108
Total comprehensive income for the year		-	13,108	219,231	232,339
Balance at 31 December 2015		200,000	151,302	10,341,237	10,692,539
Year ended 31 December 2016:					
Profit for the year		-	-	118,522	118,522
Other comprehensive income:					
Currency translation differences on overseas subsidiaries		-	333,300	-	333,300
Total comprehensive income for the year		-	333,300	118,522	451,822
Balance at 31 December 2016		200,000	484,602	10,459,759	11,144,361

Randa Accessories UK Limited**Company statement of changes in equity
for the year ended 31 December 2016**

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2015		200,000	7,600,086	7,800,086
Year ended 31 December 2015:				
Profit and total comprehensive income for the year		-	235,098	235,098
Balance at 31 December 2015		200,000	7,835,184	8,035,184
Year ended 31 December 2016:				
Profit and total comprehensive income for the year		-	117,219	117,219
Balance at 31 December 2016		200,000	7,952,403	8,152,403

Randa Accessories UK Limited

Group statement of cash flows

for the year ended 31 December 2016

		2016		2015	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	25	354,395		330,461	
Income taxes paid		(53,946)		(73,562)	
Net cash inflow from operating activities		300,449		256,899	
Investing activities					
Purchase of tangible fixed assets		(100,237)		(50,146)	
Loans repaid by / (granted to) associated companies		1,240,063		(1,240,063)	
Interest received		80,871		65,676	
Net cash generated from/(used in) investing activities		1,220,697		(1,224,533)	
Financing activities					
Purchase of derivatives		-		(1,443)	
Net cash used in financing activities		-		(1,443)	
Net increase/(decrease) in cash and cash equivalents		1,521,146		(969,077)	
Cash and cash equivalents at beginning of year		7,908,659		8,864,628	
Effect of foreign exchange rates		333,300		13,108	
Cash and cash equivalents at end of year		9,763,105		7,908,659	

Randa Accessories UK Limited

Notes to the Financial Statements

for the year ended 31 December 2016

1 Accounting policies

Company information

Randa Accessories UK Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 12th Floor, Capital House, 25 Chapel Street, London, NW1 5DH.

The group consists of Randa Accessories UK Limited and its subsidiary, Randa Shanghai Limited.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The consolidated financial statements incorporate those of Randa Accessories UK Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2016. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

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

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for the sale of goods in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Randa Accessories UK Limited

Notes to the Financial Statements (continued)

for the year ended 31 December 2016

1 Accounting policies (continued)

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	4% straight line
Plant and equipment	25% reducing balance
Fixtures and fittings	25% reducing balance
Computers	33% straight line
Motor vehicles	20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.5 Fixed asset investments

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

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

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

Randa Accessories UK Limited

Notes to the Financial Statements (continued)

for the year ended 31 December 2016

1 Accounting policies (continued)

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

1.6 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

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

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

Randa Accessories UK Limited

Notes to the Financial Statements (continued)

for the year ended 31 December 2016

1 Accounting policies (continued)

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

1.7 Stocks

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

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

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Randa Accessories UK Limited

Notes to the Financial Statements (continued)

for the year ended 31 December 2016

1 Accounting policies (continued)

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

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

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

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

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Randa Accessories UK Limited

Notes to the Financial Statements (continued)

for the year ended 31 December 2016

1 Accounting policies (continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

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

1.11 Taxation

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

Randa Accessories UK Limited

Notes to the Financial Statements (continued)

for the year ended 31 December 2016

1 Accounting policies (continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

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

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Randa Accessories UK Limited

Notes to the Financial Statements (continued)

for the year ended 31 December 2016

1 Accounting policies (continued)

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

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

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

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Accruals

Management estimate requirements for accruals using post year end information and information available from detailed budgets. This identifies cost and income that are expected to be incurred. Accruals are only released where there is a reasonable expectation that these costs will not be invoiced in the future.

3 Turnover and other revenue

The total turnover from the group has been derived from its principal activity undertaken in the United Kingdom and Ireland and the People's Republic of China.

Randa Accessories UK Limited**Notes to the Financial Statements (continued)****for the year ended 31 December 2016****4 Operating profit**

	2016	2015
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(171,819)	(1,910)
Fair value gains on foreign exchange contracts	-	1,443
Depreciation of owned tangible fixed assets	70,911	65,393
Loss on disposal of tangible fixed assets	2,424	506
Operating lease charges	260,959	160,775
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2016	2015
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	11,500	11,900
	<u> </u>	<u> </u>

6 Employees

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

	Group 2016 Number	2015 Number
Distribution	21	21
Sales	19	19
Admin	16	15
	<u> </u>	<u> </u>
	56	55
	<u> </u>	<u> </u>

Randa Accessories UK Limited**Notes to the Financial Statements (continued)****for the year ended 31 December 2016****6 Employees (continued)**

Their aggregate remuneration comprised:

	Group 2016	2015
	£	£
Wages and salaries	2,173,086	1,984,028
Social security costs	214,441	188,946
Pension costs	57,322	94,018
	2,444,849	2,266,992

Included in the above remuneration is £881,374 (2015 - £748,887) recharged to Randa UK Limited, a related company, for employees utilised in its business.

7 Directors' remuneration

	2016	2015
	£	£
Remuneration for qualifying services	188,777	205,359

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 0 (2015 - 0).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

Remuneration for qualifying services	-	123,790
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8 Interest receivable and similar income

	2016	2015
	£	£
Interest income		
Interest on bank deposits	58,569	50,021
Interest receivable from group companies	22,302	15,655
Total income	80,871	65,676

Randa Accessories UK Limited**Notes to the Financial Statements (continued)****for the year ended 31 December 2016****8 Interest receivable and similar income (continued)**

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	58,569	50,021
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9 Taxation

	2016	2015
	£	£
Current tax		
UK corporation tax on profits for the current period	41,079	61,403
Adjustments in respect of prior periods	4,962	-
Total UK current tax	46,041	61,403
Foreign current tax on profits for the current period	1,771	183
Total current tax	47,812	61,586
Deferred tax		
Origination and reversal of timing differences	4,348	(2,692)
Adjustment in respect of prior periods	(2,881)	-
Total deferred tax	1,467	(2,692)
Total tax charge	49,279	58,894

Randa Accessories UK Limited**Notes to the Financial Statements (continued)****for the year ended 31 December 2016****9 Taxation (continued)**

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

	2016	2015
	£	£
Profit before taxation	167,801	278,125
Expected tax charge based on the standard rate of corporation tax in the UK of 20% (2015: 20.25%)	33,560	56,320
Tax effect of expenses that are not deductible in determining taxable profit	12,662	684
Adjustments in respect of prior years	4,962	-
Effect of change in corporation tax rate	(2,601)	-
Effect of overseas tax rates	1,156	3,359
Deferred tax adjustments in respect of prior years	(2,881)	-
Other short term timing differences	2,421	(1,469)
Tax expense for the year	49,279	58,894

Randa Accessories UK Limited

Notes to the Financial Statements (continued)
for the year ended 31 December 2016

10 Tangible fixed assets

Group	Land and buildings £	Plant and equipment £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost						
At 1 January 2016	653,749	6,625	431,315	137,521	146,815	1,376,025
Additions	65,914	2,526	29,220	2,577	-	100,237
Disposals	(20,912)	-	(90,248)	(549)	-	(111,709)
Exchange adjustments	-	-	(11,445)	-	(16,241)	(27,686)
At 31 December 2016	698,751	9,151	358,842	139,549	130,574	1,336,867
Depreciation and impairment						
At 1 January 2016	532,832	4,626	388,061	127,284	92,721	1,145,524
Depreciation charged in the year	34,570	815	11,618	8,135	15,773	70,911
Eliminated in respect of disposals	(20,912)	-	(87,824)	(549)	-	(109,285)
Exchange adjustments	-	-	(9,418)	-	(10,383)	(19,801)
At 31 December 2016	546,490	5,441	302,437	134,870	98,111	1,087,349
Carrying amount						
At 31 December 2016	152,261	3,710	56,405	4,679	32,463	249,518
At 31 December 2015	120,917	1,999	41,227	10,237	48,236	222,616

Randa Accessories UK Limited

Notes to the Financial Statements (continued)

for the year ended 31 December 2016

10 Tangible fixed assets (continued)

Company	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Computers £	Total £
Cost					
At 1 January 2016	653,749	6,625	292,488	137,521	1,090,383
Additions	65,914	2,526	29,220	2,577	100,237
Disposals	(20,912)	-	(69,212)	(549)	(90,673)
At 31 December 2016	698,751	9,151	252,496	139,549	1,099,947
Depreciation and impairment					
At 1 January 2016	532,832	4,626	280,425	127,284	945,167
Depreciation charged in the year	34,570	815	8,182	8,135	51,702
Eliminated in respect of disposals	(20,912)	-	(68,892)	(549)	(90,353)
At 31 December 2016	546,490	5,441	219,715	134,870	906,516
Carrying amount					
At 31 December 2016	152,261	3,710	32,781	4,679	193,431
At 31 December 2015	120,917	1,999	12,063	10,237	145,216

Randa Accessories UK Limited

Notes to the Financial Statements (continued)

for the year ended 31 December 2016

11 Fixed asset investments

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Investments in subsidiaries	12	-	-	132,626	132,626

12 Subsidiaries

Details of the company's subsidiaries at 31 December 2016 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Randa Shanghai Limited	China	International trade consultants	Ordinary	100.00

The investment in the subsidiary is stated at cost less impairment in the parent company financial statements. The subsidiary is consolidated within these group financial statements.

13 Associates

Details of associates at 31 December 2016 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
YouYou Neckwear (Shengzou)	China	International trade consultants	Ordinary	25.00

	Profit/ (Loss) £	Capital and Reserves £
YouYou Neckwear (Shengzou)	(186)	76,742

During a prior year the company impaired its investment in YouYou Neckwear (Shengzou) Limited. The carrying amount of the company's and group's investment in associates as at 31 December 2016 was £Nil (2015 - £Nil).

Randa Accessories UK Limited

Notes to the Financial Statements (continued)

for the year ended 31 December 2016

14 Stocks

	Group 2016 £	2015 £	Company 2016 £	2015 £
Raw materials and consumables	52,552	33,291	52,552	33,291
Finished goods and goods for resale	367,325	560,597	367,325	560,320
	<u>419,877</u>	<u>593,888</u>	<u>419,877</u>	<u>593,611</u>

15 Debtors

	Group 2016 £	2015 £	Company 2016 £	2015 £
Amounts falling due within one year:				
Trade debtors	937,498	1,224,361	924,788	1,134,047
Other debtors	851,942	1,732,512	584,256	1,477,862
Prepayments and accrued income	104,007	93,413	92,041	73,651
	<u>1,893,447</u>	<u>3,050,286</u>	<u>1,601,085</u>	<u>2,685,560</u>

16 Creditors: amounts falling due within one year

	Group 2016 £	2015 £	Company 2016 £	2015 £
Trade creditors	117,292	92,996	115,618	85,546
Amounts due to group undertakings	15,599	21,406	15,599	21,406
Corporation tax payable	16,364	22,498	16,081	21,348
Other taxation and social security	99,806	144,483	99,603	143,469
Other creditors	57,133	192,464	57,133	192,464
Accruals and deferred income	847,740	580,304	807,449	549,710
	<u>1,153,934</u>	<u>1,054,151</u>	<u>1,111,483</u>	<u>1,013,943</u>

Randa Accessories UK Limited

Notes to the Financial Statements (continued)

for the year ended 31 December 2016

17 Creditors: amounts falling due after more than one year

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Government grants		<u>12,921</u>	<u>15,495</u>	<u>12,921</u>	<u>15,495</u>

The company and group received a grant from the government for the purchase of a land lease.

18 Deferred taxation

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

	Liabilities 2016 £	Liabilities 2015 £
Group		
Accelerated capital allowances	15,931	16,176
Other timing differences	(1,200)	(2,912)
	<u>14,731</u>	<u>13,264</u>
	Liabilities 2016 £	Liabilities 2015 £
Company		
Accelerated capital allowances	15,931	16,176
Other timing differences	(1,200)	(2,912)
	<u>14,731</u>	<u>13,264</u>

Randa Accessories UK Limited**Notes to the Financial Statements (continued)****for the year ended 31 December 2016****18 Deferred taxation (continued)**

	Group 2016 £	Company 2016 £
Movements in the year:		
Liability at 1 January 2016	13,264	13,264
Charge to profit or loss	1,467	1,467
Liability at 31 December 2016	14,731	14,731

19 Retirement benefit schemes

	2016 £	2015 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	57,322	94,018

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

Included in the above is £12,798 (2015 - £10,346) recharged to Randa UK Limited, a related company, for employees utilised in its business.

20 Share capital

	Group and company 2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
200,000 Ordinary of £1 each	200,000	200,000

Each ordinary share carries one vote and is entitled to participate pari passu with other ordinary shares in any dividend or capital distribution.

21 Reserves**Profit and loss reserves**

Profit and loss reserves include all current and prior period retained profits and losses.

Other reserves

Other reserves include all current and prior period gains and losses on translation of the foreign subsidiary for consolidation purposes.

Randa Accessories UK Limited

Notes to the Financial Statements (continued)

for the year ended 31 December 2016

22 Operating lease commitments

Lessee

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

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Within one year	260,949	36,211	230,583	21,181
Between two and five years	810,372	42,996	782,531	36,000
In over five years	437,250	450,000	437,250	450,000
	<u>1,508,571</u>	<u>529,207</u>	<u>1,450,364</u>	<u>507,181</u>

23 Controlling party

The ultimate holding company is Randa Corp , which is incorporated in the United States of America. H Spiegel owns 88% of the share capital of Randa Corp. The group is both the largest and smallest group of undertakings including Randa Accessories UK Limited for which consolidated accounts are drawn up.

24 Related party transactions

Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Sale of goods		Purchase of goods	
	2016	2015	2016	2015
	£	£	£	£
Group				
Other related parties	<u>66,481</u>	<u>66,409</u>	<u>3,054,017</u>	<u>3,426,675</u>

Randa Accessories UK Limited

Notes to the Financial Statements (continued)

for the year ended 31 December 2016

24 Related party transactions (continued)

	Management charges paid / (receivable)		Interest	
	2016	2015	2016	2015
	£	£	£	£
Group				
Entities with control, joint control or significant influence over the company	194,285	162,682	-	-
Other related parties	(1,279,446)	(1,148,554)	22,302	15,655
	(1,085,161)	(985,872)	22,302	15,655

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties	
	2016	2015
	Balance	Balance
	£	£
Group		
Other related parties	752,847	1,698,403

No guarantees have been given or received.

Randa Accessories UK Limited

Notes to the Financial Statements (continued)

for the year ended 31 December 2016

25 Cash generated from group operations

	2016	2015
	£	£
Profit for the year after tax	118,522	219,231
Adjustments for:		
Taxation charged	49,279	58,894
Investment income	(80,871)	(65,676)
Loss on disposal of tangible fixed assets	2,424	506
Depreciation and impairment of tangible fixed assets	70,911	65,393
Foreign exchange gains on cash equivalents	-	(7)
Movements in working capital:		
Decrease in stocks	174,011	124,648
(Increase)/decrease in debtors	(83,224)	240,992
Increase/(decrease) in creditors	105,917	(311,095)
(Decrease) in deferred income	(2,574)	(2,425)
Cash generated from operations	354,395	330,461