

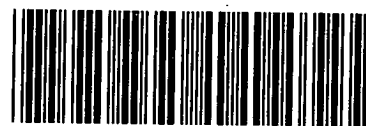
Registered Number: 5926637

Brandand Limited

Report and financial statements

31 December 2013

FRIDAY



A3M3JJSX

A21

05/12/2014

#273

COMPANIES HOUSE

The directors submit their strategic report for the year ended 31 December 2013.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principle activity of the company is the provision of in-house designed, high quality, branded collections of clothing and accessories, under either a licenced or direct supply business model.

The company's key financial indicators for the year were:

	2013	2012	Change
	£'000	£'000	%
Turnover	5,658	9,350	(39.5%)
(Loss)/Profit before taxation	(110)	666	(116.5%)
Total assets less current liabilities	1,125	1,345	(16.4%)
Average number of employees	19	21	(9.5%)

The loss for the year after taxation amounted to £119,000 (2012: profit of £666,000). Turnover for the year was £5,658,000 (2012: £9,350,000).

The key driver for the 2013 results was a decrease in revenue from a motorsport license. These lower sales resulted in reduced margins due to the minimum royalty payments due.

The company has continued to add new licenses and customers during the year whilst matching the overhead base to changes in revenues. Furthermore, during 2013 the company invested in new ecommerce platforms to further strengthen its distribution channels through B2B and B2C websites. Moving forward this will help the business grow in this key area and remain competitive.

FUTURE DEVELOPMENTS

The company will continue to develop its offering and diversify its customer base during 2014. This is to be achieved through a number of new licenses in different market sectors focussing on developing different routes to market in support of its customer base. The structure of the business will still deliver its main services, but moving forward the company is looking to limit the licenses that require minimum guarantees.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors and the senior management team meet on a regular basis to evaluate the performance of the Company together with associated business risks and uncertainties.

The main financial risks for the Company are competitive trading risk, liquidity risk, credit risk, supplier risk, customer risk and stock risk.

The Company manages competitive trading risk by providing a one stop shop for its clients where the offering of design, quality, fulfilment and all services around the client's needs is its key focus. The

STRATEGIC REPORT (CONTINUED)

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

services each client needs are assessed and appropriate agreements are put in place to establish a long term relationship for the business.

The majority of the Company's products are sourced overseas through reputable and well established suppliers. The company works closely with each supplier to find the best quality and to implement QC checks on products before despatch, ensuring quantity and quality is achieved before goods are handed on to the customer.

Whilst the financial risk of the supply chain is considered to be relatively low, the Company is regularly reviewing and assessing the suppliers from a quality and capability viewpoint.


The Company is exposed to a performance and brand risk of its major customers. To mitigate this risk the Company seeks to take on licenses from well-established and reputable brands which are believed to have a long term value.

To minimise any stock risk the Company constantly evaluates the stock on a weekly basis and orders are placed on minimum factory production numbers with the aim to pre-sell the products to markets before the goods arrive.

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

In order to promote business, the Company offers credit period for some customers at their request. Delays or defaults in client payments could result in working capital shortages and reduction of the company's profits. To mitigate this risk the company has implemented policies that require appropriate credit checks from reliable firms on potential customers before sales are made. The new model of business will aim to have more sales through B2B and B2C websites therefore funds should be paid on placing the orders.

On behalf of the board,



C V Ball

Date: 2.12.17

Brandand Limited

DIRECTORS' REPORT

The directors submit their annual report together with the financial statements of the company for the year ended 31 December 2013.

DIVIDENDS

The directors do not recommend the payment of a final dividend for the year (2012: £nil).

DIRECTORS

The directors who served during the year and up to the date of approval of the financial statements were as follows:

C V Ball

T M Colchester (appointed 27 January 2014)

C G Scrivener (resigned 14 January 2014)

GOING CONCERN

The businesses operates under finance arrangements which principally comprise a third party bank debt facility, renewed in September 2012, which matured on 30 September 2014 and shareholder loans due for repayment between 30 September 2015 and 31 December 2015 (together the "facilities"). The Group's principal shareholders have indicated to the Directors that, for a period at least until 31 December 2015, to the extent that funds are not otherwise available they will provide the financial support necessary to enable the Group to meet its liabilities as and when they fall due. Having considered this commitment and the available facilities alongside cashflow forecasts prepared for the Group which cover the same period, the Directors have concluded that it is appropriate for them to adopt a going concern basis for the preparation of the financial statements for the year ended 31 December 2013.

EMPLOYEES

An open style of communication operates throughout the company. Staff communication occurs through a formal Team Brief mechanism and structured company-wide meetings geared to providing staff with a good understanding of the strategy and performance of the company. Staff are encouraged to contribute their ideas and views on the operation and direction of the company both informally and through topic based workshops.

EQUAL OPPORTUNITIES

The company is committed to a policy of equal opportunity regardless of age, sex, sexual orientation, disability, marital status, race, colour or ethnic or national origin. Procedures and criteria in respect of recruitment, promotion, transfer and training are based on this policy of equal opportunity, and judgements as to suitability are made on the basis of the relevant merits and abilities of the individual.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. The directors have confirmed that they have taken all the steps that they ought to have taken as directors in

DIRECTORS' REPORT (CONTINUED)

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS (CONTINUED)

order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITORS

In accordance with s.485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for re-appointment of Ernst & Young LLP as auditor of the company.

On behalf of the board,



T M Colchester
Director

2.12.14

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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

Company law requires the directors to prepare accounts 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 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 those 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 accounts; 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 proper 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BRANDAND LIMITED

We have audited the financial statements of Brandand Limited for the year ended 31 December 2013 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 15. The financial reporting framework that has been applied in their presentation is applicable law and United Kingdom Accounting Standards (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 purposes. 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 auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, 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). These 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

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 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 Report and financial statements 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 the 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 2013 and of the Company's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

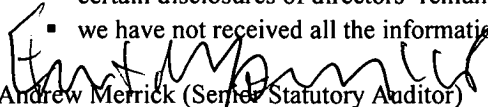
Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information in the Strategic Report and 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 by the Company, 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.


Andrew Merrick (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham

Date: 4/12/14

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2013

	<i>Notes</i>	<i>2013</i> £'000	<i>2012</i> £'000
TURNOVER	2	5,658	9,350
Cost of sales		(4,345)	(7,358)
GROSS PROFIT		1,313	1,992
Distribution costs		(349)	(48)
Administrative expenses		(1,074)	(1,278)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(110)	666
Taxation on (loss)/profit on ordinary activities	5	(9)	-
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	12	(119)	666

The turnover and operating loss for the year arises from the company's continuing operations.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 December 2013

There are no recognised gains or losses for the year, or for the previous year, other than those included in the profit and loss account.

BALANCE SHEET
at 31 December 2013

	<i>Notes</i>	<i>2013</i> <i>£'000</i>	<i>2012</i> <i>£'000</i>
FIXED ASSETS			
Tangible assets	6	45	61
CURRENT ASSETS			
Stocks	7	307	932
Debtors	8	1,660	1,058
Cash at bank and in hand		-	631
		1,967	2,621
CREDITORS: amounts falling due within one year	9	(887)	(1,337)
NET CURRENT ASSETS		1,080	1,284
TOTAL ASSETS LESS CURRENT LIABILITIES		1,125	1,345
ACCRUALS AND DEFERRED INCOME		91	192
CAPITAL AND RESERVES			
Called up share capital	11	-	-
Profit and loss account	12	1,034	1,153
	12	1,034	1,153
		1,125	1,345

The financial statements were approved by the board of directors and authorised for issue on ... 2/12/14 ..
and are signed on its behalf by:



T M Colchester
Director

NOTES TO THE ACCOUNTS at 31 December 2013

1. ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention and in accordance with UK Generally Accepted Accounting Practice.

The businesses operates under finance arrangements which principally comprise a third party bank debt facility, renewed in September 2012, which matured on 30 September 2014 and shareholder loans due for repayment between 30 September 2015 and 31 December 2015 (together the “facilities”). The Group’s principal shareholders have indicated to the Directors that, for a period at least until 31 December 2015, to the extent that funds are not otherwise available they will provide the financial support necessary to enable the Group to meet its liabilities as and when they fall due. Having considered this commitment and the available facilities alongside cashflow forecasts prepared for the Group which cover the same period, the Directors have concluded that it is appropriate for them to adopt a going concern basis for the preparation of the financial statements for the year ended 31 December 2013.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is based on the estimated useful lives of the assets and is charged at the following rates:

Computer equipment	-	33% per annum straight line
Plant and machinery	-	15% per annum straight line
Leasehold Improvements	-	Over length of lease

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks

Stocks have been valued at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition. Net realisable value is based on the estimated selling price.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exception:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted.

Deferred tax is measured on the undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Brandand Limited

NOTES TO THE ACCOUNTS

at 31 December 2013

1. ACCOUNTING POLICIES *(continued)*

Foreign currencies

Transactions expressed in foreign currencies have been translated into sterling at the rates of exchange approximating to those ruling at the date of the transactions. Monetary assets and liabilities have been translated at rates ruling at the balance sheet date. Exchange differences have been included in operating profit.

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. Contributions are charged to the profit and loss account as incurred, and are shown in Note 4.

Cash flow statement

The cash flows of the company for the year are included within the consolidated cash flow statement disclosed in the accounts of the ultimate parent undertaking, Prodrive (Holdings) Limited. In accordance with FRS1 (Revised), no cash flow statement is required in these accounts.

Turnover

Turnover is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Turnover is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales related taxes or duty. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on dispatch of goods.

2. TURNOVER

The company has taken advantage under the Companies Act 2006 (Schedule 68 paragraph 5), not to disclose turnover information, as in the opinion of the directors such disclosure would be seriously prejudicial to the interests of the company.

3. (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

(Loss)/Profit on ordinary activities before tax

is stated after charging / (crediting):

	2013	2012
	£'000	£'000
Depreciation on owned tangible fixed assets	48	7
Operating Leases – Land and Buildings	32	133
Loss on foreign exchange	30	7
	<u> </u>	<u> </u>

The audit fee for the company was borne by the ultimate parent undertaking for both years. No non-audit fees were incurred in either year.

4. STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS)

	2013	2012
	£'000	£'000
Wages and salaries	559	673
Social security costs	61	61
Other pension costs	16	14
	<u> </u>	<u> </u>
	636	748
	<u> </u>	<u> </u>

Outstanding amounts in respect of the pension contributions at the balance sheet date were £2,681 (2012: £2,000).

Brandand Limited

NOTES TO THE ACCOUNTS at 31 December 2013

4. STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS) *(continued)*

The average monthly number of employees during the year was as follows:

	2013 <i>Number</i>	2012 <i>Number</i>
<i>a) Staff Costs</i>		
Sales and Administration	19	21
	<u> </u>	<u> </u>
	<i>2013</i>	<i>2012</i>
	<i>£'000</i>	<i>£'000</i>
<i>b) Directors' emoluments</i>		
Directors' emoluments	111	129
	<u> </u>	<u> </u>
Company contributions to money purchase schemes	7	7
	<u> </u>	<u> </u>
	<i>Number</i>	<i>Number</i>
Number of members of money purchase scheme	1	1
	<u> </u>	<u> </u>

5. TAX

	2013 <i>£'000</i>	2012 <i>£'000</i>
<i>a) Tax on profit on ordinary activities</i>		
<i>Current tax:</i>		
There is no current tax relating to the year (Note 5(b))	-	-
<i>Deferred tax:</i>		
Origination and reversal of timing differences (Note 10)	10	-
Adjustments in respect of prior period	(2)	-
Effect of tax rate change on opening balance	1	-
	<u> </u>	<u> </u>
Tax on profit on ordinary activities	9	-
	<u> </u>	<u> </u>
	<i>2013</i>	<i>2012</i>
	<i>£'000</i>	<i>£'000</i>
<i>b) Factors affecting the current tax charge</i>		
Profit/(loss) on ordinary activities before tax	(110)	666
	<u> </u>	<u> </u>
Profit/(loss) on ordinary activities multiplied by the standard rate of Corporation tax in the UK of 23.25% (2012: 24.5%)	(26)	163
Disallowable expenses	3	2
Group relief received for nil consideration	-	(166)
Depreciation in excess of capital allowances	9	1
Other timing differences	(2)	-
(Utilisation of tax losses) / Unrelieved tax losses and other deductions	16	-
	<u> </u>	<u> </u>
Total current tax (Note 5(a))	-	-
	<u> </u>	<u> </u>

NOTES TO THE ACCOUNTS
at 31 December 2013

5. TAX (CONTINUED)

The company has tax losses carried forward of £70,000 (2012: £nil). There is a potential deferred tax asset of £14,000 (2012: £9,000) in respect of these losses and £16,000 (2012: £nil) in respect of fixed asset and short term timing differences.. The deferred tax asset, calculated at a rate of 20%, has not been provided due to the uncertainty over the utilisation of these losses in the future.

Deferred tax has been calculated at the rate expected to apply at the time at which timing differences are forecast to reverse, based on tax rates which have been substantively enacted at the balance sheet date. The UK Corporation tax rate fell from 24.5% for the year ended 31 December 2012 to 23.25% for the year ended 31 December 2013. The Corporation tax rate will fall to 21% from 1 April 2014 and 20% from 1 April 2015, rate changes which were substantively enacted on 2 July 2013.

It is not anticipated that the subsequent reductions to 20%, once substantively enacted, will have a material effect on the Company's future current or deferred tax charges

Brandand Limited

NOTES TO THE ACCOUNTS at 31 December 2013

6. TANGIBLE FIXED ASSETS

	<i>Plant & Machinery</i> £'000	<i>Computer Equipment</i> £'000	<i>Leasehold Improvements</i> £'000	<i>Total</i> £'000
Cost:				
At 1 January 2013	31	11	53	95
Additions	-	-	32	32
At 31 December 2013	<u>31</u>	<u>11</u>	<u>85</u>	<u>127</u>
Depreciation:				
At 1 January 2013	21	11	2	34
Provided for the year	5	-	43	48
At 31 December 2013	<u>26</u>	<u>11</u>	<u>45</u>	<u>82</u>
Net book amounts:				
At 31 December 2013	<u>5</u>	<u>-</u>	<u>40</u>	<u>45</u>
At 31 December 2012	<u>10</u>	<u>-</u>	<u>51</u>	<u>61</u>

The net book values includes £nil (2012: £nil) in respect of leased assets.

7. STOCKS

	<i>2013</i> £'000	<i>2012</i> £'000
Goods for resale	307	932
Total	<u>307</u>	<u>932</u>

The replacement costs of stocks are not materially different from the amount shown above.

Brandand Limited

NOTES TO THE ACCOUNTS at 31 December 2013

8. DEBTORS

	2013 £'000	2012 £'000
Trade debtors	675	644
Amounts due from group undertakings	852	42
Deferred taxation (Note 10)	-	9
Other debtors	2	13
Prepayments and accrued income	131	350
	1,660	1,058
	1,660	1,058

9. CREDITORS

	<i>Amounts falling due within one year</i>	
	2013 £'000	2012 £'000
Bank Overdraft	57	-
Payments on account	271	412
Trade creditors	291	654
Amounts due to group undertakings	250	251
Other taxes and social security costs	18	18
Other creditors	-	2
	887	1,337
	887	1,337

10. DEFERRED TAXATION

The movements in deferred taxation during the year are as follows:

	£'000
Deferred tax asset at 1 January 2013	9
Charge for the year (Note 5(a))	(9)
Deferred tax asset at 31 December 2013	-
	-

	2013 £'000	2012 £'000
<i>Deferred taxation provided is as follows:</i>		
Accelerated capital allowances	-	8
Tax losses carried forward	-	1
	-	9
	-	9

There is £29,820 unprovided deferred tax for the year (nil prior year).

Brandand Limited

NOTES TO THE ACCOUNTS at 31 December 2013

11. SHARE CAPITAL

	<i>At 31 December 2013 and 31 December 2012</i>			
	<i>Authorised</i>		<i>Issued, called up and fully paid</i>	
	<i>Number</i>	<i>£'000</i>	<i>Number</i>	<i>£'000</i>
Equity:				
Ordinary shares of £1 each	100	-	100	-

12. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	<i>Share Capital £'000</i>	<i>Profit and Loss Account £'000</i>	<i>Total £'000</i>
At 31 January 2012	-	487	487
Profit for the year	-	666	666
At 31 December 2012	-	1,153	1,153
Loss for the year	-	(119)	(119)
At 31 December 2013	-	1,034	1,034

13. OTHER FINANCIAL COMMITMENTS

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as set out below:

	<i>Land and Buildings</i>	
	<i>2013 £'000</i>	<i>2012 £'000</i>
Operating leases which expire:		
In less than one year	6	-
Within two to five years	-	30
After five years	-	-
	6	30

The parent company; Prodrive (Holdings) Ltd has a bank loan of £3,000,000. The bank loans are secured by a fixed and floating charge over the assets of the company and selected subsidiaries including Brandand Limited from whom there are cross guarantees.

NOTES TO THE ACCOUNTS
at 31 December 2013

14. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under FRS 8 not to disclose transactions with fellow group companies as it is a wholly owned subsidiary of the company's ultimate parent undertaking, Prodrive (Holdings) Limited.

All related party transactions requiring disclosure are disclosed within the accounts of Prodrive (Holdings) Limited.

15. PARENT UNDERTAKING

The company's immediate and ultimate parent undertaking and controlling party is Prodrive (Holdings) Limited a company incorporated in England and Wales.

Copies of the group accounts, which include the company, are available from Acorn Way, Banbury, Oxon OX16 3ER.