

Company Registration No. 1812

**QUANTUM CLOTHING GROUP  
Limited**

**Annual Report and Financial  
Statements**

**For the year ended 31 March 2017**



**QUANTUM CLOTHING GROUP LIMITED** (Company Registration No. 1812)

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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# **QUANTUM CLOTHING GROUP LIMITED** (Company Registration No. 1812)

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **DIRECTORS**

A Omar  
T Jayasekera  
D Gooneratne

### **COMPANY SECRETARY**

D Walsh (resigned 26 April 2017)

### **REGISTERED OFFICE**

Unit 12 Wheatcroft Business Park  
Landmere Lane  
Edwalton  
Nottinghamshire  
NG12 4DG

### **BANKERS**

HSBC Bank plc  
Client Manager Europe  
62-76 Park Street  
London  
SE1 5AB

### **SOLICITORS**

Pinsent Masons  
1 Park Row  
Leeds  
LS1 5AB

Browne Jacobson  
Mowbray House  
Castle Meadow Road  
Nottingham  
NG2 1BJ

### **INDEPENDENT AUDITORS**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Donington Court  
Herald Way  
East Midlands  
DE74 2UZ

# QUANTUM CLOTHING GROUP LIMITED (Company Registration No. 1812)

## STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2017

The directors present their Annual Report and the audited financial statements of Quantum Clothing Group Limited for the year ended 31 March 2017.

### REVIEW OF THE BUSINESS AND PRINCIPAL ACTIVITIES

The principal activity of the company is the design, sourcing and supply of quality apparel products.

The directors aim to present a balanced and comprehensive review of the development and performance of the business during the year and its position at the year end. This review is consistent with the size and nature of the business and is written in the context of the risks and uncertainties that the business faces.

On 31 October 2016, the company sold its wholly owned subsidiary Quantum Clothing India (PVT) Limited for a consideration of \$2,300,000 and its 3.38% shareholdings of Brandix India Apparel City (PVT) Limited for a consideration of \$550,000, both located in India.

On 31 December 2016, the company sold its wholly owned subsidiary Quantum Clothing (Cambodia) Limited, located in Cambodia for a consideration of \$2,000,000.

On 10 February 2017, the company decided to rationalise the company's product mix including divesting of the activities of its shirts business at their book value for a consideration of \$4,254,000.

As at the financial year end 31 March 2017, Bramhope Group Holdings Limited (a parent undertaking) had entered into negotiations to divest its trading subsidiary Quantum Clothing Group Limited from immediate parent Accorden Holdings Limited.

The directors consider that the key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, these being revenue and profit/(loss) margins, as follows:

	2017 USD '000	2016 USD '000	Change %
<b>Continuing operations</b>			
Revenue	54,431	52,102	4.5
Operating loss	(8,745)	(27,659)	68.4
Loss on ordinary activities after taxation	(6,242)	(30,615)	79.6
<b>Discontinued operations</b>			
Profit/(loss) on ordinary activities after taxation	349	(5,951)	105.9
<b>Loss for the financial year</b>	<b>(5,893)</b>	<b>(36,566)</b>	<b>83.9</b>

The continuing operations of the company (excluding the shirts division disposed of during the year) produced a 4.5% increase in revenue compared to the previous year as the company continued to develop and widen its customer base. Operating loss was significantly reduced from \$27,659,000 to \$8,740,000 mainly due to the impact of exceptional costs incurred in the previous financial year.

The company has a senior management committee that meets monthly and which evaluates the company's risk appetite. The principal risks and uncertainties facing the company are broadly grouped as competitive risk and financial instrument risk.

As at the 31 March 2017 the Company held net liabilities of \$585,000 (2016: net assets of \$5,308,000).

## **QUANTUM CLOTHING GROUP LIMITED (Company Registration No. 1812)**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)**

#### **PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)**

- **Competitive Risks**

The company has a small number of UK and European based customers. This allows the business to focus its attention on satisfying these customers at the highest level whilst minimising the overheads and, therefore, the financial risks associated with it.

The principal competitive risk comes from the small number of direct competitors in this market, who are of a quality and magnitude to compete on price and innovation. Whilst price is always a competitive challenge the business is well positioned geographically and in its relationships with its suppliers to remain highly competitive. The company's dedication and reputation for high class innovation means that it is able to mitigate some of this price based competition and also compete in the more lucrative high end products.

- **Financial Instrument Risk**

The company is exposed to foreign currency exchange risk by way of settling its UK payroll and expenses in GBP. A senior management committee, which has been in place for several years, considers this exposure on a regular basis. The foreign exchange markets are reviewed on a daily basis by reference to various institutional reports which are considered alongside weekly reviews with our bankers and independent foreign exchange advisors.

- **Use of derivatives**

The company uses forward foreign currency contracts to reduce exposure to the variability of foreign exchange rates by fixing the rate of any material payments in a foreign currency.

- **Exposure to price, credit, liquidity and cash flow risk**

Price risk arises on financial instruments because of fluctuations in global foreign currency markets.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for that other party by failing to discharge an obligation. The company has a small number of major High Street retailers as customers. Whilst the business recognises that this is no guarantee of quality of debt, the business continually reviews the situation, through the press, public accounts and its close business relationships with its customers. The businesses covered are considered to be of the highest standing with very well established payment history and unquestionable credit worthiness. However during the year the company decided to enter in to a Supplier Invoice Finance agreement with one of its major customer reducing the company's debtor days to 78 days at 31 March 2017 (2016: 96 days).

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The company manages liquidity risk via trade facilities and short term debt.

Cash flow is the risk of exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability such as global foreign currency markets. The group manages this risk, where significant, by use of derivatives as explained above.

## **QUANTUM CLOTHING GROUP LIMITED (Company Registration No. 1812)**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)**

#### **PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)**

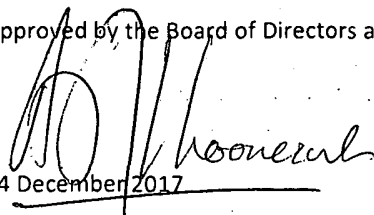
##### **EXCEPTIONAL ITEMS**

During the year the company realised a gain of \$3,726,000 (2016: a charge of \$19,725,000) in respect of exceptional items, \$2,591,000 (2016: \$nil) gain due to the disposal of investments held in subsidiary undertakings, \$nil (2016: charge of \$3,654,000) relating to the impairment of investments held in subsidiary undertakings, \$75,000 (2016: \$nil) gain due to discontinued operations of the Shirts business, \$nil (2016: charge of \$14,188,000) due to a loss on hive-up of Quantum Lingerie Limited, \$820,000 (2016: \$nil) due to a loss on disposal of a 3.38% stake in Brandix India Apparel City (PVT) Limited and a gain \$1,880,000 (2016: \$1,883,000) charge relating to various steps taken to improve the operational efficiencies of the business. In addition, a charge of \$nil (2016: \$9,101,000) was incurred on the impairment of a deferred taxation asset.

##### **POST BALANCE SHEET EVENTS**

On 26 April 2017, Bramhope Group Holdings Limited, a parent undertaking decided to divest its trading subsidiary Quantum Clothing Group Limited from immediate parent Accorden Holdings Limited. The sale of Quantum Clothing Group Limited was conducted under an agreement with the acquirers Phoenix Ventures (Private) Limited (a company incorporated in Hong Kong) and Dilan Goonaratne (a business entrepreneur domiciled in Sri Lanka) under which the acquirers also acquired control of Quantum Clothing Group Limited's subsidiary Quantum Clothing Lanka (PVT) Limited for \$4,900,000. Quantum Clothing Lanka (PVT) Limited under the ownership of Phoenix Ventures (Private) Limited and Dilan Goonaratne then acquired the shares of Quantum Clothing Group Limited for \$100,000 from Accorden Holdings Limited. As a result, Quantum Clothing Group Limited is no longer part of the Bramhope Group Holdings Limited group of companies, see note 22 for further details.

Approved by the Board of Directors and signed on their behalf:



14 December 2017

## **QUANTUM CLOTHING GROUP LIMITED (Company Registration No. 1812)**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017**

The directors present their Annual Report and the audited financial statements for the year ended 31 March 2017.

#### **GOING CONCERN**

In the opinion of the directors, it is appropriate to prepare the financial statements on the going concern basis as the current shareholders of the company have agreed to provide continuing financial support for a period of at least twelve months from the date on which these financial statements were signed.

#### **FUTURE DEVELOPMENTS**

Competition in this business is fierce and the challenges that lie ahead are significant with pressure on margin being the focal point. Whilst the marketplace remains tough, the directors are committed to doing whatever it takes to turn the business to a strong and profitable state, and several new accounts have been won as a result of this approach. The challenge that lies ahead will be to ensure that all of our customer relationships are developed in a profitable and prosperous manner.

#### **DIRECTORS**

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

N.J Lugg	(resigned 26 April 2017)	A Omar	(appointed 26 April 2017)
R Hardy	(resigned 26 April 2017)	D Gooneratne	(appointed 26 April 2017)
S Turnbull	(resigned 31 March 2017)	T.Jayasekera	(appointed 26 April 2017)
K Woodward	(resigned 28 February 2017)		
RJ Woods	(resigned 31 October 2016)		

#### **DIRECTORS LIABILITY INSURANCE**

A qualifying third-party indemnity provision has been in place for one or more directors of the company at any time during the financial year and at the date of signing the financial statements. Neither the company's indemnity nor insurance provides cover in the event that a director is proved to have acted fraudulently or dishonestly. No claims have been made either under the indemnities or the insurance policy.

#### **ENVIRONMENTAL POLICY**

Quantum Clothing Group Limited recognises the importance of minimising the environmental impact of its business and requires local management to take responsibility for environmental performance. Customers and the general public can feel confident that this is happening as the company adheres to its Environmental Policy at all levels.

## **QUANTUM CLOTHING GROUP LIMITED (Company Registration No. 1812)**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)**

#### **ETHICAL POLICY**

The company has embarked upon a course to establish itself as a world leader in implementing and driving ethical standards and high standards of labour practices. Our policy is to exceed International Standards, as we believe we have a social responsibility to help educate and personally develop all of our employees. We go to great lengths to ensure that all local and international ethical standards are achieved and maintained.

Our factories manufacture worldwide to high standards of working conditions, environmental awareness, health, safety and security. All our employees are treated with respect and their basic human rights are protected and promoted. We have set up a framework to comply with all local and national laws and regulations. In order to verify our high standards to customers, we carry out regular internal, as well as third party, audits on our factories.

#### **DONATIONS**

During the year the group made no charitable donations (2016: \$nil).

#### **DIVIDENDS**

There was no interim or final dividend approved or paid during the year \$nil (2016: \$nil). Dividend income of \$39,000 (2016: \$nil) was received from a subsidiary company, Quantum Clothing Lanka (PVT) Limited.

#### **DISCLOSURE OF INFORMATION TO AUDITORS**

In the case of each director in office at the date the directors' report is approved:

- (a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.



## **QUANTUM CLOTHING GROUP LIMITED (Company Registration No. 1812)**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)**

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 Reduced Disclosure Framework", 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 then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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.

The directors 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.

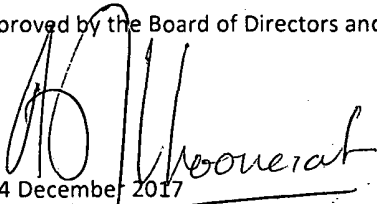
In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the 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.

#### **INDEPENDENT AUDITORS**

The auditors PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution that they be reappointed will be prepared at the annual general meeting.

Approved by the Board of Directors and signed on their behalf:

  
14 December 2017

## **QUANTUM CLOTHING GROUP LIMITED (Company Registration No. 1812)**

### **Independent auditors' report to the members of Quantum Clothing Group Limited**

#### **Report on the financial statements**

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##### **Our opinion**

In our opinion, Quantum Clothing Group Limited's financial statements (the "financial statements"):

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

##### **What we have audited**

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the statement of financial position as at 31 March 2017;
- the income statement for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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#### **Opinions on other matters prescribed by the Companies Act 2006**

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In our opinion, based on the work undertaken in the course of the 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 addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

## **QUANTUM CLOTHING GROUP LIMITED (Company Registration No. 1812)**

### **Independent auditors' report to the members of Quantum Clothing Group Limited (continued)**

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#### **Other matters on which we are required to report by exception**

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##### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

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##### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

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#### **Responsibilities for the financial statements and the audit**

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##### **Our responsibilities and those of the directors**

As explained more fully in the Statement of Directors' responsibilities set out on page [7], 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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##### **What an audit of financial statements involves**

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

**Independent auditors' report to the members of Quantum Clothing Group Limited  
(continued)**

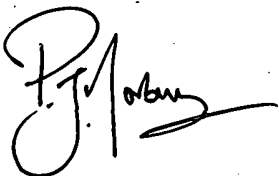
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**What an audit of financial statements involves (continued)**

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Paul Norbury (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
East Midlands  
14 December 2017

**QUANTUM CLOTHING GROUP LIMITED** (Company Registration No. 1812)

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2017**

	Note	Continuing operations 2017 USD '000	Discontinued operations 2017 USD '000	Total 2017 USD '000	Continuing operations 2016 USD '000	Discontinued operations 2016 USD '000	Total 2016 USD '000
Revenue	4	54,431	27,048	81,479	52,102	63,932	116,034
Cost of sales		(62,163)	(25,312)	(87,475)	(55,341)	(61,786)	(117,127)
Gross loss		(7,732)	1,736	(5,996)	(3,239)	2,146	(1,093)
Distribution costs		(1,596)	(258)	(1,854)	(1,373)	(643)	(2,016)
Administrative expenses							
Recurring		(3,211)	(1,042)	(4,253)	(3,368)	(3,187)	(6,555)
Exceptional	5	3,726	-	3,726	(19,679)	(46)	(19,725)
		515	(1,042)	(527)	(23,047)	(3,233)	(26,280)
Other operating income		68	-	68	-	-	-
Operating loss	6	(8,745)	436	(8,309)	(27,659)	(1,730)	(29,389)
Income from subsidiary		39	-	39	-	-	-
Finance income	8	-	-	-	20	101	121
Finance costs	8	(506)	-	(506)	(376)	(122)	(498)
(Loss)/profit on ordinary activities before tax		(9,212)	436	(8,776)	(28,015)	(1,751)	(29,766)
Tax on profit/(loss) on ordinary activities	9	2,970	(87)	2,883	(2,600)	(4,200)	(6,800)
(Loss)/profit for the financial year		(6,242)	349	(5,893)	(30,615)	(5,951)	(36,566)

There are no amounts recognised in other comprehensive income other than those included in the income statement, therefore no separate statement of comprehensive income has been presented.

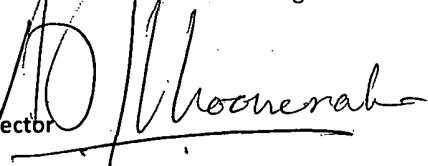
**QUANTUM CLOTHING GROUP LIMITED** (Company Registration No. 1812)**STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2017**

	Note	2017 USD '000	2016 USD '000
<b>Fixed assets</b>			
Intangible assets	10	61	99
Property, plant and equipment	11	150	459
Investments in subsidiaries	12	3,457	4,534
Investments in associated undertakings	12	-	1,370
		<b>3,668</b>	<b>6,462</b>
<b>Current assets</b>			
Inventory	13	-	1,314
Trade and other receivables	14	17,319	52,030
Cash and cash equivalents		1,375	888
		<b>18,694</b>	<b>54,232</b>
<b>Creditors: – amounts falling due within one year</b>	15	<b>(22,481)</b>	<b>(54,100)</b>
<b>Net current assets</b>		<b>(3,787)</b>	<b>132</b>
<b>Total assets less current liabilities</b>		<b>(119)</b>	<b>6,594</b>
Provision for liabilities	18	(466)	(1,286)
<b>Net (liabilities)/assets</b>		<b>(585)</b>	<b>5,308</b>
<b>Equity</b>			
Ordinary shares	19	1,008	1,008
Share premium		13	13
Other reserves		1,650	1,650
Revaluation reserve		-	(5,233)
Retained earnings		(3,256)	7,870
<b>Total shareholders' (deficit)/funds</b>		<b>(585)</b>	<b>5,308</b>

The notes on pages 14 to 27 are an integral part of these financial statements.

The financial statements on pages 11 to 27 were authorised for issue by the board of directors on 14 December 2017 and were signed on its behalf.

Director



**QUANTUM CLOTHING GROUP LIMITED** (Company Registration No. 1812)

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2017**

	Ordinary shares USD '000	Share premium USD '000	Other reserves <sup>1</sup> USD '000	Revaluation reserve <sup>2</sup> USD '000	Retained earnings/ (losses) <sup>3</sup> USD '000	Total shareholders' funds USD '000
Balance as at 1 April 2015	1,008	13	1,650	(3,796)	44,436	43,311
Loss for the financial year	-	-	-	-	(36,566)	(36,566)
Movement on revaluation reserve	-	-	-	(1,437)	-	(1,437)
Balance as at 31 March 2016	1,008	13	1,650	(5,233)	7,870	5,308
Loss for the financial year	-	-	-	-	(5,893)	(5,893)
Reclassification	-	-	-	5,233	(5,233)	-
Balance as at 31 March 2017	1,008	13	1,650	-	(3,256)	(585)

1. Other reserves include a capital contribution reserve of USD 1,497,000 created during financial year ended 31 December 2000 and a reserve brought forward of USD 153,000.
2. The revaluation reserve arose on the change of functional currency to United States Dollar in the year ended 31 March 2016 and has been transferred to retained earnings during the financial year. The largest constituent part of the revaluation reserve is retained earnings, due to significant retained earnings and the strength of sterling against the USD at the key reference dates of 1 April 2014 (GBP/USD 1.6637) and 31 March 2015 (GBP/USD 1.4834).
3. Retained earnings represents accumulated comprehensive income/(expense) for the year and prior periods.

## **QUANTUM CLOTHING GROUP LIMITED (Company Registration No. 1812)**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**

#### **1. General information**

Quantum Clothing Group Limited ("the company") designs, sources and supplies quality apparel products to retailers in the UK and Europe. The company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is Unit 12 Wheatcroft Business Park, Landmere Lane, Edwalton, Nottinghamshire, NG12 4DG.

#### **2. Summary of significant accounting policies**

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.

##### **2.1. Basis of preparation**

The financial statements of Quantum Clothing Group Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). These financial statements have been prepared under the historical cost convention, modified by financial assets and financial liabilities held at fair value through profit and loss and in accordance with the Companies Act 2006, as applicable to companies using FRS 101. The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IAS1, 'Presentation of financial statements'.
- IAS7, 'Statement of cash flows'.
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- The requirements in IAS 24; 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.
- IFRS7 'Financial Instruments: Disclosures'.

##### **2.2. Going concern**

Notwithstanding net liabilities of \$585,000 at the financial year end, in the opinion of the directors it is appropriate to prepare the financial statements on the going concern basis. Phoenix Ventures (Private) Limited have confirmed its intention, either directly or through one of its subsidiaries, to provide funding necessary for the operations of Quantum Clothing Group Limited so as to enable it to meet its liabilities and carry on its business in the twelve months from the date on which the financial statements were signed. Phoenix Ventures (Private) Limited believes that it has or will have adequate resources to provide this funding.

##### **2.3. Consolidation**

The company is exempt from preparing consolidated financial statements at the balance sheet date by virtue of section 400 of the Companies Act 2006, as the company itself is ultimately owned by Itochu Corporation which prepares consolidated financial statements which are publically available. These financial statements present information about the company as an individual undertaking and not about its group.



## QUANTUM CLOTHING GROUP LIMITED (Company Registration No. 1812)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

#### 2 Summary of significant accounting policies (continued)

##### 2.4. Foreign currency translation

###### (a) Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in United States Dollar (USD), which is also the company's functional currency.

###### (b) Transactions and balances

Transactions denominated in foreign currencies are translated into United States Dollar at the rate ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into United States Dollar at the rates ruling at that date, except where such balances are covered by forward exchange contracts. Translation differences are dealt with in the profit and loss account.

A sterling exchange rate of 1.2505 USD/GBP has been used for translation purposes within the statement of financial position as at 31 March 2017 (2016: 1.4393 USD/GBP).

##### 2.5 Property plant and equipment

Tangible assets are stated at historic cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended life.

Depreciation is provided on cost or valuation in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Land and buildings	2% - 10% per annum
Vehicles and machinery	10% - 25% per annum
Fixtures, fittings, tools and equipment	10% per annum

##### 2.6 Investment in subsidiaries

Investments in subsidiaries are held at cost less accumulated impairment losses.

##### 2.7 Investment in associated undertakings

Investments in associated undertakings are held at cost less accumulated impairment losses. Investment disposals during the year of \$1,370,000 (2016: \$nil) relate to a 3.8% stake in Brandix India Apparel City (PVT) Limited, located in India.

##### 2.8 Derivative financial instruments and hedging activities

The company has not applied hedge accounting and all derivatives are measured at fair value through profit and loss.

## QUANTUM CLOTHING GROUP LIMITED (Company Registration No. 1812)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

#### 2 Summary of significant accounting policies (continued)

##### 2.9 Inventory

Inventory is stated at the lower of cost and net realisable value. Cost is determined using a weighted average basis and net realisable value, after due regard for obsolete and slow moving stock. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

##### 2.10 Trade and other receivables

Trade debtors represents the amounts invoiced to customers, accrued sales for goods delivered but not billed, suppliers' debit balances, less provision for bad debts and credits for returns, allowances and cash rebates.

##### 2.11 Cash and cash equivalents

Cash and cash equivalents includes cash in hand and deposits held at call with banks.

##### 2.12 Creditors

Creditors are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers.

##### 2.13 Borrowings

Borrowings are recognised at fair value, net of transaction costs.

##### 2.14 Borrowing costs

All finance costs are recognised in profit and loss in the period in which they are incurred.

##### 2.15 Current and deferred income tax

Corporation tax payable is provided on taxable profits at the rate prevailing in the year. Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell these assets. Deferred tax assets are recognised to the extent that it is regarded, as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

##### 2.16 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The company recognises revenue when the amount of revenue can be reliably measured, and when it is probable that future economic benefits will flow to the entity.

##### 2.17 Interest income

Interest income and receivables are recognised using the original effective interest rate.

## QUANTUM CLOTHING GROUP LIMITED (Company Registration No. 1812)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

#### 2 Summary of significant accounting policies (continued)

##### 2.18 Leases

Lease in which substantially all of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight line basis over the period of the lease.

##### 2.19 Dividend income

Dividend income is recognised when the right to receive payment is established.

##### 2.20 Dividend distribution

Dividend distributions to the company's shareholders are recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

##### 2.21 Exceptional items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the group. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

##### 2.22 Financial guarantees

Financial guarantees are initially recognised at fair value and are subsequently measured at the higher of (a) the amount determined in accordance with IAS 37 and (b) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with IAS 18.

##### 2.23 Financial guarantees

The company operates a defined contribution pension plan post-employment scheme. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. The company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

#### 3 Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances:

##### 3.1 Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

# QUANTUM CLOTHING GROUP LIMITED (Company Registration No. 1812)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

### 3 Critical accounting estimates and judgments (continued)

#### 3.2 Critical accounting estimates and assumptions (continued)

- Impairment of trade receivables;  
The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other receivables, management considers factors including the credit rating of the receivable, the ageing profile of receivables and historical experience. See note 14 for the net carrying amount of the receivables.
- Impairment of investments;  
Impairments are made where the carrying values of the investment are not supported by their net assets.

### 4 Revenue

All the company's turnover, loss on ordinary activities before taxation and net assets arise from the company's principal activity mainly in the United Kingdom and Europe.

	Continuing operations	Discontinued operations	Total operations	Continuing operations	Discontinued operations	Total operations
Analysis of revenue by destination	2017 USD '000	2017 USD '000	2017 USD '000	2017 USD '000	2016 USD '000	2016 USD '000
United Kingdom	36,172	27,048	63,220	42,968	63,932	106,900
Europe	5,575	-	5,575	2,495	-	2,495
North America	11,637	-	11,637	5,649	-	5,649
Rest of the world	1,047	-	1,047	990	-	990
	54,431	27,048	81,479	52,102	63,932	116,034

### 5 Exceptional items

During the year, the exceptional items were as detailed below.

	2017 USD '000	2016 USD '000
Gain on disposal of investments in subsidiary undertakings	(2,591)	-
Impairment of investment in subsidiary undertakings	-	3,654
Gain on disposal of discontinued operations	(75)	-
Loss on hive-up of subsidiary undertaking	-	14,188
Loss on disposal of investments	820	-
Reorganisation (gain)/expenses	(1,880)	1,883
Included within administrative expenses	(3,726)	19,725

# **QUANTUM CLOTHING GROUP LIMITED** (Company Registration No. 1812)

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)**

### **5 Exceptional items (continued)**

During the year the company realised a gain of \$3,726,000 (2016: a charge of \$19,725,000) in respect of exceptional items, \$2,591,000 (2016: \$nil) gain due to the disposal of investments held in subsidiary undertakings, \$nil (2016: charge of \$3,654,000) relating to the impairment of investments held in subsidiary undertakings, \$75,000 (2016: \$nil) gain due to discontinued operations of the Shirts business, \$nil (2016: charge of \$14,188,000) due to a loss on hive-up of Quantum Lingerie Limited, \$820,000 (2016: \$nil) due to a loss on disposal of a 3.38% stake in Brandix India Apparel City (PVT) Limited and a gain of \$1,880,000 (2016: \$1,883,000) charge relating to various steps taken to improve the operational efficiencies of the business. In addition, a charge of \$nil (2016: \$9,101,000) was incurred on the impairment of a deferred taxation asset.

### **6 Operating loss**

	2017	2016
	USD	USD
	'000	'000
Operating loss is stated after charging/(crediting):		
Wages and salaries	2,831	5,806
Social security costs	327	576
Other pension costs	162	297
<b>Staff costs</b>	<b>3,320</b>	<b>6,679</b>
Depreciation and amortisation (see notes 10 and 11)	159	144
Reorganisation (gain)/expenses (included in 'administrative expenses - exceptional')	(1,880)	1,883
Gain on disposal of subsidiary undertakings (included in 'administrative expenses - exceptional')	(2,591)	-
Gain on disposal of discontinued operations (included in 'administrative expenses - exceptional')	(75)	-
Impairment of investments in subsidiary undertakings (included in 'administrative expenses - exceptional')	-	3,654
Loss on disposal of other investments (included in 'administrative expenses - exceptional')	820	-
Loss on hive-up of subsidiary undertaking (included in 'administrative expenses - exceptional')	-	14,188
Inventory recognised as an expense (included in 'cost of sales')	83,852	114,888
Gain on disposal of property, plant and equipment	6	(58)
Operating lease charges	449	574
Foreign exchange losses/(gains)	957	(1,204)
Audit fees payable to the company's auditor	85	73

**QUANTUM CLOTHING GROUP LIMITED** (Company Registration No. 1812)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)**

**7 Employees and directors**

**Employees**

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

	2017	2016
By activity	No.	No.
Selling and distribution	34	30
Administration	46	57
	80	87

**Directors**

The directors' emoluments were as follows:

	2017	2016
	USD	USD
	'000	'000
Aggregate emoluments	787	1,210

**Highest paid director**

The highest paid director's emoluments were as follows:

	2017	2016
	USD	USD
	'000	'000
Total amount of emoluments and amounts (excluding shares) receivable under long-term incentive schemes	240	329

**8 Interest income and expense**

	2017	2016
	USD	USD
	'000	'000
<b>Finance income</b>		
Other loans	-	122
	2017	2016
	USD	USD
	'000	'000
<b>Finance expense</b>		
Bank borrowings	(506)	(498)

**QUANTUM CLOTHING GROUP LIMITED** (Company Registration No. 1812)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)**

**9 Income tax**

Tax charge/(credit) included in profit or loss

	2017 USD '000	2016 USD '000
<b>Current tax:</b>		
UK Corporation tax on losses for the year	(2,601)	(2,122)
Adjustments in respect of prior years	(282)	(179)
<b>Deferred tax:</b>		
Movement in unprovided deferred tax	-	9,101
<b>Tax on loss on ordinary activities</b>	<b>(2,883)</b>	<b>6,800</b>

Tax charge/(credit) for the year is higher (2016: higher) than the standard rate of corporation tax in the UK for the year ended 31 March 2017 of 20% (2016: 20%). The differences are explained below:

	2017 USD '000	2016 USD '000
Loss on ordinary activities before tax	(8,776)	(29,766)
Loss multiplied by the standard rate of tax in the UK of 20% (2015: 21%)	(1,755)	(5,953)
<b>Effects of:</b>		
Movement in unprovided deferred tax	-	9,101
Adjustments in respect of prior years	(282)	(179)
Income not subject to tax	(1,970)	-
Expenses not deductible for tax purposes	1,132	2,870
Other timing differences	(8)	961
<b>Tax charge/(credit)</b>	<b>(2,883)</b>	<b>6,800</b>

**Factors affecting current and future tax changes**

The standard rate of corporation tax in the UK changed from 21% to 20% from 1 April 2015. Accordingly, the standard rate of corporation tax applied to the company's profits for the accounting period is 20%.

Changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

**QUANTUM CLOTHING GROUP LIMITED** (Company Registration No. 1812)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)**

**10 Intangible assets**

	Software USD '000
<b>As at 31 March 2016</b>	
Cost or valuation	1,336
Accumulated depreciation	(1,237)
<b>Net book amount</b>	<b>99</b>
<b>Year ended 31 March 2017</b>	
Additions	15
Disposals	(1)
Amortisation	(52)
<b>Closing net amount</b>	<b>61</b>
<b>At 31 March 2017</b>	
Cost or valuation	1,286
Accumulated depreciation	(1,225)
<b>Net book amount</b>	<b>61</b>

**11 Property, plant and equipment**

	Land and buildings USD '000	Vehicles and machinery USD '000	Fixtures, fittings, tools and equipment USD '000	Total USD '000
<b>As at 31 March 2016</b>				
Cost or valuation	335	646	198	1,179
Accumulated depreciation	(47)	(574)	(99)	(720)
<b>Net book amount</b>	<b>288</b>	<b>72</b>	<b>99</b>	<b>459</b>
<b>Year ended 31 March 2017</b>				
Additions	-	12	21	33
Disposals	(208)	(4)	(23)	(235)
Depreciation	(57)	(33)	(17)	(107)
<b>Closing net amount</b>	<b>23</b>	<b>47</b>	<b>80</b>	<b>150</b>
<b>At 31 March 2017</b>				
Cost or valuation	60	569	158	787
Accumulated depreciation	(37)	(522)	(78)	(637)
<b>Net book amount</b>	<b>23</b>	<b>47</b>	<b>80</b>	<b>150</b>





# QUANTUM CLOTHING GROUP LIMITED (Company Registration No. 1812)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

### 12 Investments

	2017			2016		
	Shares in group undertakings	Other investments	Total	Shares in group undertakings	Other investments	Total
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
At 1 April	4,534	1,370	5,904	8,188	1,370	9,558
Disposals	(1,077)	(1,370)	(2,447)	-	-	-
Impairment	-	-	-	(3,654)	-	(3,654)
At 31 March	3,457	-	3,457	4,534	1,370	5,904

During the year the company disposed of shares in group undertakings totalling \$1,077,000 (2016: \$nil), \$281,000 (2016: \$nil) relating to its wholly owned subsidiary Quantum Clothing India (PVT) Limited, located in India, \$796,000 (2016: \$nil) relating to its wholly owned subsidiary Quantum Clothing (Cambodia) Limited, located in Cambodia.

On 31 October 2016, the company disposed of its shares in other investments, a 3.38% stake in Brandix India Apparel City (PVT) Limited of \$1,370,000 for a cash consideration of \$550,000. On disposal the \$820,000 loss was recognised in the income statement.

During the previous year the company impaired investments in group undertakings of \$3,654,000, \$3,418,000 resulted from the company's decision to divest its manufacturing operations in India during December 2015 and \$236,000 required to provide for a shareholders' deficit in the company's manufacturing operations in Cambodia.

Investments in group undertakings are held at the year end in the following companies that manufacture garments:

Name	% Share Holdings	Country of incorporation and operation	Registered office
Quantum Clothing Lanka Limited	100%	Sri Lanka	59, Gregory's Road, Colombo 7, Sri Lanka
Quantum Apparel (Cambodia) Limited	100%	Cambodia	Phum Toul Pungro, Sangkat Chom, Khan Dangkor, Phnom Penh, Kingdom of Cambodia

The directors believe the carrying values of the investments are supported by their net assets.

**QUANTUM CLOTHING GROUP LIMITED** (Company Registration No. 1812)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)**

**13 Inventory**

	2017	2016
	USD	USD
	'000	'000
Raw materials and work in progress	-	682
Finished goods and goods for resale	-	632
	-	1,314

Inventory is stated after provisions for impairment of \$nil (2016: \$nil).

**14 Trade and other receivables**

	2017	2016
	USD	USD
	'000	'000
Trade receivables	5,633	27,809
Amounts owed by group undertakings	10,903	16,396
Derivative assets (note 4)	-	21
Other receivables	363	7,181
Prepayments and accrued income	420	623
	17,319	52,030

Amounts owed by group undertakings are unsecured, interest free and repayable on demand. Trade receivables are stated after provisions for impairment of \$nil (2015: \$nil).

**15 Creditors: amounts falling due within one year**

	2017	2016
	USD	USD
	'000	'000
Borrowings	10,000	-
Creditors	182	5,991
Amounts owed to group undertakings	6,794	45,944
Taxation and social security	57	204
Other creditors	4,900	-
Accruals and deferred income	548	1,961
	22,481	54,100

Borrowings of \$10,000,000 (2016: \$nil) are secured by a standby letter of credit. All other creditors are unsecured.

Other creditors of \$4,900,000 (2016: \$nil), relates to monies received from subsidiary Quantum Clothing Lanka (PVT) Limited in preparation for the divestment of Quantum Clothing Lanka (PVT) Limited under a Sale And Purchase Agreement signed on 26 April 2017. The monies were received prior to the year end and are therefore recognised on the balance sheet.

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

**QUANTUM CLOTHING GROUP LIMITED** (Company Registration No. 1812)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)**

**16 Financial Instruments**

The company enters into forward foreign currency contracts to mitigate the exchange risk for certain foreign currency payables. The company was committed to sell \$nil (2016: \$3,000,000) and receive £nil (2016: £2,102,000) at the period end, and committed contracts at the previous year end have all matured. The company has outstanding forward contracts with the following fair values at the end of the year.

	2017	2016
	USD	USD
	'000	'000
Fair value of contracts	-	3,021

**17 Post-employment benefits  
Defined contribution scheme**

	2017	2016
	USD	USD
	'000	'000
The company operates a defined contribution pension scheme.		
Current period contribution	162	297

Outstanding contributions at the financial year end 31 March 2017 amounted to \$3,000 (2016: \$31,000).

**18 Provisions for liabilities**

	Reorganisation provision
	USD
	'000
As at 1 April 2016	1,286
Charged to the income statement	1,358
Amounts utilised	(2,178)
As at 31 March 2017	466

**19 Called up share capital**

**Authorised**

**Ordinary shares of £10 each**

	No.	USD
		'000
At 31 March 2016 and 31 March 2017	65,000	1,081

**Allotted and fully paid**

**Ordinary shares of £10 each**

	No.	USD
		'000
At 31 March 2016 and 31 March 2017	60,600	1,008

# QUANTUM CLOTHING GROUP LIMITED (Company Registration No. 1812)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

### 20 Other commitments

The company had the following total future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2017 USD '000	2016 USD '000
Not later than one year	63	597
Later than one year and later than five years	83	1,773
Later than five years	-	1,083
	146	3,453

### 21 Discontinued operations

On 10 February 2017, the Company disposed of its Shirts business under a trade and assets agreement for a consideration of \$4,254,000.

The assets and liabilities disposed were:	USD '000
Property, plant and equipment	3
Inventory	154
Trade debtors	9,250
Amounts owed by parent undertakings	329
Trade creditors	(5,193)
Accruals and deferred income	(364)
	4,179
Cash	75
	4,254

The analysis of the result of these discontinued operations is shown below.

	2017 USD '000	2016 USD '000
Revenue	27,048	63,932
Cost of sales	(25,312)	(61,785)
<b>Gross profit</b>	<b>1,736</b>	<b>2,147</b>
Distribution costs	(258)	(643)
Administrative expenses	(1,042)	(3,234)
<b>Operating profit</b>	<b>436</b>	<b>(1,730)</b>
Finance income	-	101
Finance costs	-	(122)
<b>Profit/(loss) before taxation of discontinued operations</b>	<b>436</b>	<b>(1,751)</b>
Taxation	(87)	(4,200)
<b>Profit/(loss) after taxation of discontinued operations</b>	<b>349</b>	<b>(5,951)</b>

## **QUANTUM CLOTHING GROUP LIMITED (Company Registration No. 1812)**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)**

#### **22 Related party transactions**

The company has taken advantage of the exemption provided in IAS 24, 'Related party disclosures' not to disclose related party transactions entered into between two or more members of the Bramhope Group.

#### **23 Post balance sheet events**

On 26 April 2017, Bramhope Group Holdings Limited, a parent undertaking decided to divest its trading subsidiary Quantum Clothing Group Limited from immediate parent Accorden Holdings Limited. The sale of Quantum Clothing Group Limited was conducted under an agreement with the acquirers Phoenix Ventures (Private) Limited (a company incorporated in Hong Kong) and Dilan Goonaratne (a business entrepreneur domiciled in Sri Lanka) under which the acquirers also acquired control of Quantum Clothing Group Limited's subsidiary Quantum Clothing Lanka (PVT) Limited for \$4,900,000. Quantum Clothing Lanka (PVT) Limited under the ownership of Phoenix Ventures (Private) Limited and Dilan Goonaratne then acquired the shares of Quantum Clothing Group Limited for \$100,000 from Accorden Holdings Limited. This was recognised on the balance sheet as an 'other creditor' as the monies were received by Quantum Clothing Group Limited prior to the financial year end. As a result, from 26 April 2017 Quantum Clothing Group Limited is no longer part of the Bramhope Group Holdings Limited Group of companies.

#### **24 Controlling parties**

For the period up to 26 April 2017 the directors regard Itochu Corporation, a company incorporated in Japan, as the ultimate parent company and controlling party. According to the register kept by the company, ITOCHU Europe Plc, a company incorporated in England, has a 60% (2016: 60%) interest in the equity capital of Bramhope Group Holdings Limited and Itochu Corporation, Japan has a 40% (2016: 40%) interest in the equity capital of Bramhope Group Holdings Limited. Copies of the parent's consolidated financial statements may be obtained from the Secretary, ITOCHU Europe plc, The Broadgate Tower, 20 Primrose Street, London EC2A 2EW.

The consolidated financial statements of Itochu Corporation form the largest group in which this group is consolidated. The smallest group is the group headed by Bramhope Group Holdings Limited.

After 26 April 2017, the new controlling parties are Phoenix Ventures (PVT) Limited (a company incorporated in Hong Kong) and Dilan Gooneratne (a business entrepreneur domiciled in Sri Lanka).