

Mandaco 762 Limited (previously Kilgour Limited)

Registered number: 08346572

Directors' report and financial statements

For the year ended 31 December 2016

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Mandaco 762 Limited (previously Kilgour Limited)

COMPANY INFORMATION

DIRECTORS	M Angus M M L Tsui
REGISTERED NUMBER	08346572
REGISTERED OFFICE	14 Savile Row London W1S 3JN
INDEPENDENT AUDITOR	Mazars LLP Tower Bridge House St. Katharine's Way London E1W 1DD
BANKERS	HSBC Bank Plc City of London Corporate Office Level 26, 8 Canada Square London E14 5HQ

Mandaco 762 Limited (previously Kilgour Limited)

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Mandaco 762 Limited (previously Kilgour Limited)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their report together with the audited financial statements for the year ended 31 December 2016.

Principal activities

The principal activity of the company was that of a fashion retailer and wholesaler. On 14 October 2016 the company exercised the option contained in the original sales and purchase agreement with JMH Lifestyle Limited to return the assets and brand intellectual property rights effective from 1 December 2016. From this date the company has discontinued its operations with no trading currently in operation.

Results and dividends

The loss for the year, after taxation, amounted to £5,908,790 (2015: £3,518,000).

The directors do not recommend a dividend for the current year (2015: £nil).

Directors

The directors of the company during the year (unless otherwise stated) were:

M Angus

M M L Tsui (appointed 3 September 2016)

A P Yusuf (resigned 31 December 2016)

Disclosure of information to the auditor

So far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware, and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information as were required by their duty as directors of the company to exercise due care, skill and diligence.

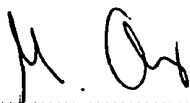
Auditor

It is proposed that Mazars LLP will continue in office in accordance with the Companies Act 2006 section 487(2).

Small company regime

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf by:



Director

28 SEP 2017

MARTIN ANGUS

Mandaco 762 Limited (previously Kilgour Limited)

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

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

UK 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) including FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland", 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;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Mandaco 762 Limited (previously Kilgour Limited)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MANDACO 762 LIMITED (PREVIOUSLY KILGOUR LIMITED) FOR THE YEAR ENDED 31 DECEMBER 2016

We have audited the financial statements of Mandaco 762 Limited (previously Kilgour Limited) for the year ended 31 December 2016 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity 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 United Kingdom and Republic of Ireland".

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' responsibilities statement set out on page 3, 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. 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 Auditors' 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.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON 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 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON THE OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

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

Mandaco 762 Limited (previously Kilgour Limited)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MANDACO 762 LIMITED (PREVIOUSLY KILGOUR LIMITED) FOR THE YEAR ENDED 31 DECEMBER 2016

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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



Samantha Russell (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor

Tower Bridge House
St. Katharine's Way
London
E1W 1DD

Date: 29 September 2017

Mandaco 762 Limited (previously Kilgour Limited)

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £'000	2015 £'000
TURNOVER	2,4	1,265	1,283
Cost of sales		<u>(645)</u>	<u>(1,275)</u>
GROSS PROFIT		620	8
Administrative expenses		<u>(6,154)</u>	<u>(3,234)</u>
OPERATING LOSS	5	(5,534)	(3,226)
Interest payable and similar charges	7	<u>(375)</u>	<u>(292)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(5,909)	(3,518)
Tax charge on loss on ordinary activities	8	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		<u>(5,909)</u>	<u>(3,518)</u>
OTHER COMPREHENSIVE INCOME:			
Other comprehensive income for the year net of tax		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(5,909)</u>	<u>(3,518)</u>

All amounts relate to discontinuing operations.

The notes on pages 9 to 19 form part of these financial statements.

Mandaco 762 Limited (previously Kilgour Limited)

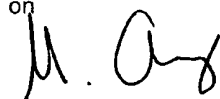
Registered number: 08346572

**BALANCE SHEET
AS AT 31 DECEMBER 2016**

	Note	2016 £'000	2015 £'000
FIXED ASSETS			
Intangible assets	9	-	530
Property, plant and equipment	10	-	784
		-	1,314
CURRENT ASSETS			
Stock	11	-	442
Debtors	12	153	3,386
Cash at bank		353	19
		506	3,847
CREDITORS: amounts falling due within one year	13	(1,535)	(4,039)
NET CURRENT LIABILITIES		(1,029)	(192)
TOTAL ASSETS LESS CURRENT LIABILITIES		(1,029)	1,122
CREDITORS: amounts falling due after more than one year	13	(8,540)	(4,236)
PROVISIONS FOR LIABILITIES		-	(530)
NET LIABILITIES		(9,569)	(3,644)
CAPITAL AND RESERVES			
Called up share capital	15	6,500	6,500
Retained earnings		(16,069)	(10,144)
TOTAL DEFICIT		(9,569)	(3,644)

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A – small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



Director
MARTIN ANGUS

28 SEP 2017

Mandaco 762 Limited (previously Kilgour Limited)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	Called up share capital £'000	Retained loss £'000	Total £'000
BALANCE AS AT 1 JANUARY 2015		-	(6,626)	(6,626)
Loss for the year		-	(3,518)	(3,518)
Other comprehensive income		-	-	-
Total comprehensive loss		-	(3,518)	(3,518)
Capitalisation of intercompany loan	15	6,500	-	6,500
Dividends paid		-	-	-
BALANCE AS AT 31 DECEMBER 2015		<u>6,500</u>	<u>(10,144)</u>	<u>(3,644)</u>
Prior period adjustment		-	(16)	(16)
Loss for the year		-	(5,909)	(5,909)
Other comprehensive income		-	-	-
Total comprehensive loss		-	(5,925)	(5,925)
Dividends paid		-	-	-
BALANCE AS AT 31 DECEMBER 2016		<u>6,500</u>	<u>(16,069)</u>	<u>(9,569)</u>

Retained loss represents accumulated comprehensive losses for the year and prior periods.

The prior period adjustment relates to a reclassification of intercompany loan balances and the associated impact on the interest expense incurred.

Mandaco 762 Limited (previously Kilgour Limited)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1. GENERAL INFORMATION

Mandaco 762 Limited (previously Kilgour Limited) ("the company") is a limited company incorporated in England and Wales. The principal activity of the company was that of a fashion retailer and wholesaler. On 14 October 2016 the company exercised the option contained in the original sales and purchase agreement with JMH Lifestyle Limited to return the assets and brand intellectual property rights effective from 1 December 2016. From this date the company has discontinued its operations with no trading currently in operation.

The address of its registered office and principal place of business is 14 Savile Row, London, W1S 3JN.

The financial statements have been prepared using GBP Sterling as the presentational currency and rounded to the nearest thousand pound.

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 have been prepared under the historical cost convention and in accordance with section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland and the Companies Act 2006.

2.2 Going concern

The company has made a loss for the year of £5,909k and is in a net liabilities position of £9,569k which includes a net current liabilities position of £1,029k as at 31 December 2016. The directors have reviewed the net current liabilities position in particular and by excluding the bank facilities and amounts owed to group undertakings, as they have no reason to believe these will be recalled in the next 12 months, the company would be in a net current assets position of £218k.

Following the return of the business and intellectual property to JMH Lifestyle Limited effective from 01 December 2016, the company ceases to continue its operations, meaning that future cash flows from trade will not be gained. However the company continues to have ongoing support from its intermediate parent company, Fung Capital Europe Fund (III) Limited, including by way of a long term loan as well as from its banking partner, HSBC, who have provided an overdraft facility of £2,500k, which was repaid in full during December 2016 with a year-end balance of £0 as outlined in note 13. The directors believe that the bank will continue to support the company.

As a consequence of the factors outlined above, and primarily confirmation that funding will continue to be provided by the intermediate parent company, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Mandaco 762 Limited (previously Kilgour Limited)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Cash flow statement

The financial statements do not include a Cash Flow Statement because the Company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Section 1A of Financial Reporting Standard 102.

2.4 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the company and value added taxes.

Where the consideration receivable in cash or cash equivalents is deferred, and the arrangement constitutes a financing transaction, the fair value of the consideration is measured as the present value of all future receipts using the imputed rate of interest.

The company recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the company retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity and (e) when the specific criteria relating to the each of company's sales channels have been met, as described below.

(i) Sale of goods - wholesale

The company sells a range of products in the wholesale market. Sales of goods are recognised on delivery to the wholesaler, when the wholesaler has full discretion over the channel and price to sell the product and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the product. Delivery occurs when the goods have been shipped to the location specified by the wholesaler, the wholesaler has accepted the products in accordance with the sales contract, any acceptance provisions have lapsed or the company has objective evidence that all criteria for acceptance have been satisfied.

Goods sold to wholesalers are often sold with volume rebates and also with the provision for the wholesale customer to return faulty goods. Sales are measured at the prices specified in the sales contract, net of estimated volume rebates and returns. Volume rebates are assessed based on anticipated annual purchases and accumulated experience is used to estimate and provide for the discounts and returns.

Sales are normally made with a credit term of 30 days. The element of financing is deemed immaterial and is disregarded in the measurement of revenue.

Mandaco 762 Limited (previously Kilgour Limited)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Revenue recognition (continued)

(ii) Sale of goods - retail

The company operates a retail shop for the sale of products. Sales are recognised on sale to the customer, which is considered the point of delivery. Retail sales are usually by cash, credit or payment card. Accumulated experience is used to estimate and provide for any returns at the time of sale.

2.5 Intangible fixed assets

Intangible assets comprise the intellectual property rights of the Kilgour brand including the trademarks. These are shown at cost less accumulated amortisation and impairment.

Intangible assets are amortised through the Statement of Comprehensive Income in equal instalments over the estimated useful economic life of the assets being 20 years.

2.6 Tangible fixed assets

Tangible assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such item when the cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Statement of Comprehensive Income during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Leasehold improvements	- over the period of the lease
Fixtures and fittings	- 3 years straight line
Office equipment	- 3 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of Comprehensive Income.

Mandaco 762 Limited (previously Kilgour Limited)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Foreign currencies

Foreign currency transactions are translated into the functional currency at the rate ruling on the date of the transaction.

Monetary items are translated into sterling at rates of exchange ruling at the balance sheet date.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end are recognised in the Statement of Comprehensive Income.

2.8 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stock. Cost includes all direct costs.

2.9 Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively. Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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

Mandaco 762 Limited (previously Kilgour Limited)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Financial instruments

Financial assets and liabilities are recognised when the company becomes party to the contractual provisions of the financial instrument. The company holds only basic financial instruments, which comprise cash and cash equivalents, trade and other debtors, and trade and other creditors. The company has chosen to apply the measurement and recognition provisions of Section 11 *Basic Financial Instruments* and Section 12 *Other Financial Instrument Issues* in full.

Financial assets – classified as basic financial instruments

Trade and other debtors

Trade and other debtors are initially recognised at the transaction price, including any transaction costs, and are subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Amounts that are receivable within one year are measured at the undiscounted amount expected to be receivable, net of any impairment.

Where a financial asset constitutes a financing transaction it is initially and subsequently measured at the present value of the future payments, discounted at a market rate of interest.

At each reporting date, the company assesses whether there is objective evidence that any financial asset may be impaired. A provision for impairment is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the financial asset. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows. The amount of the provision is recognised immediately in profit or loss.

Financial liabilities – classified as basic financial instruments

Trade and other creditors

Trade and other creditors are initially measured at the transaction price, including any transaction costs, and are subsequently measured at amortised cost using the effective interest method.

Amounts that are payable within one year are measured at the undiscounted amount expected to be payable.

Where a financial liability constitutes a financing transaction it is initially and subsequently measured at the present value of the future payments, discounted at a market rate of interest.

Mandaco 762 Limited (previously Kilgour Limited)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

3. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

Estimates and judgements 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 judgements in applying the entity's accounting policies

(i) Assessing indicators of impairment

In assessing whether there have been any indicators of impairment of assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

3.2 Critical accounting estimates and assumptions

There are no key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. TURNOVER

Turnover is entirely attributable to the sale of goods from the retail and wholesale activity.

All turnover arose within the United Kingdom.

5. OPERATING LOSS

The operating loss is stated after charging/(crediting):

	2016 £'000	2015 £'000
Amortisation of intangible assets	-	581
Depreciation of tangible fixed assets	180	341
Auditor's remuneration – audit	7	7
Auditor's remuneration – non-audit services	6	6
Management charge	995	1,800
Loss on disposal of property, plant and equipment	354	-
Loss on disposal of operations	611	-
Provision against amounts owed by group undertakings	3,463	-

6. STAFF COSTS

The company does not have any employees. The company is charged a management fee for services provided by No. 14 Savile Row Management Limited, a fellow group company under common ultimate control. The management charge includes provision for services provided by their members of staff. The management charge has been disclosed in note 5.

Directors' remuneration and key management personnel

No director received any emoluments through the company in the current or previous year.

Mandaco 762 Limited (previously Kilgour Limited)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2016 £'000	2015 £'000
Interest on amounts owed to group undertakings	348	282
Interest on bank overdraft	27	10
	<u>375</u>	<u>292</u>

8. TAXATION

	2016 £'000	2015 £'000
Analysis of tax credit in the year		
Current tax (see note below)		
UK corporation tax credit on loss for the year	/ -	-
Foreign tax on income for the year	<u>-</u>	<u>-</u>
Deferred tax		
Deferred tax charge for the period	<u>-</u>	<u>-</u>
Tax on loss on ordinary activities	<u>-</u>	<u>-</u>
Factors affecting tax charge for the year		

The tax assessed for the year is equal to (2015 – higher than) the standard rate of corporation tax in the UK of 20.25% (2015– 20.25%). The differences are explained below:

	2016 £'000	2015 £'000
Loss on ordinary activities before tax	<u>(5,909)</u>	<u>(3,518)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 – 20.25%)	(1,182)	(712)
Effects of:		
Expenses not deductible for tax purposes	775	139
Capital allowances in excess of depreciation	-	44
Other short term timing differences	(113)	67
Unrelieved tax losses	520	462
Tax charge for the year (see note above)	<u>-</u>	<u>-</u>

Finance (No. 2) Act 2015 includes legislation to reduce the main rate of corporation tax from 20% to 19% from 1 April 2017 and to 18% from 1 April 2020 and the impact of this change has been reflected in the above deferred tax balances. The Government subsequently announced on 16 March 2016 that legislation will be introduced to reduce the mainstream rate of corporation tax to 17% in April 2020.

Mandaco 762 Limited (previously Kilgour Limited)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

9. INTANGIBLE ASSETS

	Intellectual property including trademarks £'000
Cost	
1 January 2016	530
Additions	-
Disposals	(530)
31 December 2016	-
Amortisation	
1 January 2016	-
Charge for the year	-
31 December 2016	-
Net book value	
31 December 2016	-
31 December 2015	530

The intangible asset relates to the acquisition of the intellectual property rights of the Kilgour Brand including the trademarks which were purchased from JMH Lifestyle Limited on 17 June 2013. The value of the intangible asset was the directors' best estimate of the discounted future cash payments in relation to the acquisition.

As at 31 December 2015, following a restructure of the wider group and review of the brands held the directors assessed the future cash payments that were likely to be paid in respect of the acquisition of the intellectual property rights of the Kilgour brand including the trademarks to have a carrying value of £530,000.

On 14 October 2016 the company exercised the option contained in the original sales and purchase agreement with JMH Lifestyle Limited to return the assets and brand intellectual property rights effective from 1 December 2016. £nil consideration was received for the exercised option and the disposal of the remaining carrying value is inclusive within the loss on disposal of operations as outlined in note 5 to the financial statements.

Mandaco 762 Limited (previously Kilgour Limited)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

10. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements	Furniture & Fittings	Office Equipment	Total
	£'000	£'000	£'000	£'000
Cost				
1 January 2016	548	213	614	1,375
Disposals	(548)	(213)	(614)	(1,375)
31 December 2016	-	-	-	-
Depreciation				
1 January 2016	178	134	279	591
Charge for the year	82	15	83	180
Disposals	(260)	(149)	(362)	(771)
31 December 2016	-	-	-	-
Net book value				
31 December 2016	-	-	-	-
31 December 2015	370	79	335	784

11. STOCK

	2016 £'000	2015 £'000
Work in progress	-	182
Finished goods and goods for resale	-	260
	-	442

12. DEBTORS:

Amounts falling due within one year

	2016 £'000	2015 £'000
Trade debtors	-	325
Amounts owed by group undertakings (note 16)	-	2,913
Other debtors	153	99
Prepayments and accrued income	-	49
	153	3,386

Amounts owed by group undertakings have been provided for in full in light of the directors' assessment of recoverability.

Mandaco 762 Limited (previously Kilgour Limited)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

13. CREDITORS:
Amounts falling due within one year

	2016 £'000	2015 £'000
Bank overdrafts	-	2,411
Trade creditors	58	190
Amounts owed to group undertakings (note 16)	1,248	681
Other creditors	116	27
Accruals and deferred income	113	730
	<u>1,535</u>	<u>4,039</u>

Amounts due to group undertakings falling due within one year are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Amounts falling due after one year

	2016 £'000	2015 £'000
Amounts owed to group undertakings (note 16)	8,540	4,236
	<u>8,540</u>	<u>4,236</u>

Interest is charged on the debt owed to group undertakings falling due after one year at a rate of 6.25% per annum.

14. PROVISIONS FOR LIABILITIES

	Deferred consideration £'000
At 1 January 2016	530
Adjustment to deferred consideration	(530)
	<u>-</u>

Following the transfer of assets and intellectual property rights to JMH Lifestyle Limited effective from 1 December 2016 for £nil consideration, the provision against intangible asset value has been fully released (see note 9).

Mandaco 762 Limited (previously Kilgour Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

15. SHARE CAPITAL

	2016 £	2015 £
Allotted, called up and fully paid		
6,500,001 ordinary shares of £1 each	6,500,001	6,500,001

16. RELATED PARTY TRANSACTIONS

All companies below are related parties through investment via the ultimate parent company or by common directorship. These balances have not been eliminated on consolidation in the parent company. All balances are interest free and recoverable/payable on demand.

	2016 £'000	2015 £'000
Amounts owed by related parties, repayable in under one year are:		
Hardy Amies London Limited	-	2,913
	-	2,913

	2016 £'000	2015 £'000
Amounts owed to related parties, repayable in under one year are:		
Hardy Amies London Limited	589	-
Hardy Amies Limited	200	-
No.14 Savile Row Management Limited	459	681
	1,248	681

	2016 £'000	2015 £'000
Amounts owed to related parties, repayable after one year are:		
No. 14 Savile Row Limited	8,540	4,236
	8,540	4,236

17. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

No. 14 Savile Row Limited, a company incorporated in the British Virgin Islands, is the immediate parent company of Mandaco 762 Limited (previously Kilgour Limited). The ultimate parent company and controlling party is Fung Capital Limited, a company incorporated in the British Virgin Islands.