Registered number: 09512739

CAMIRA GROUP HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2015

COMPANY INFORMATION

Directors	N A Brown (appointed 26 March 2015) A M Schofield (appointed 24 April 2015) A L Williams (appointed 24 April 2015) S R Bullas (appointed 24 April 2015) A S Croall (appointed 24 April 2015) E Jolly (appointed 24 April 2015) A Weaver (appointed 24 April 2015) G Russell (appointed 29 March 2016)
Registered number	09512739
Registered office	The Watermill Wheatley Park Mirfield West Yorkshire WF14 8HE
Independent auditors	KPMG LLP 1 Sovereign Square Sovereign Street Leeds LS1 4DA

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GROUP STRATEGIC REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2015

Principal activities

The Camira Group is a global textile organisation whose capabilities extend from yarn spinning and yarn dyeing through to design and manufacture of contract performance fabrics for broad ranging applications primarily in commercial interiors and mass passenger transport. Camira's finished fabrics grace some of the most prestigious installations in blue-chip headquarters, indoor arena .and cinemas, healthcare and education facilities , and mass passenger transport on mainline trains, underground, public buses and coaches.

Business model

Camira's core purpose is "Delivering Style with Substance", bringing colour, design and personality to wide ranging interior environments, whilst ensuring supply chain and manufacturing integrity as well as environmental best practice. The Group's stated mission is "to celebrate textile design and manufacturing, pushing boundaries, valuing people, and bringing interiors to life".

The Group has invested heavily in securing the continuity of key elements of its supply chain, which is a fundamental principle of ensuring reliable service in terms of lead-times, quality and environmental performance. The business is active globally, with strong trading performance in its home UK territory and core European markets, plus on-going business development and consolidation in North America, China and Australasia, with exports accounting for roughly 60% of turnover and climbing. Routes to market are via furniture manufacturers who make office furniture or transport seating, through fabric specification channels such as architects; interior designers and furniture dealers, and direct to end-users such as offce occupants and transport operators.

The Company employs trading strategies including global key account management, specifier and end-user selling, strategic alliances, recruitment and retention of international agents and distributors, local stock holding for shorter lead-times, and local recruitment to build markets in USA and China.

Camira strives to position itself as a design-led, innovative, trusted, environmental textile resource for global specifiers. The company designs and manufactures its own fabrics, mainly in the United Kingdom, at sites in Huddersfield and Nottingham, as well as undertaking some manufacturing in Lithuania. We add value through our first class service levels and speed of delivery.

International expansion, consolidation and market development continue to be key strategies for growth, with Group exports forecast to rise to 65% of turnover in the next few years. Domestic trading continues to see expansion into healthcare fabrics, cross-over into residential fabrics as well as continued development of specification selling in the commercial market.

Business review and results

On 24th April 2015, Camira Group concluded a successful re-financing of its existing debt. This included the departure of Cavendish, the previous investment partner, and the subsequent investment by Pricoa Capital Group. Subsequently the Group appointment a new Chief Executive Officer in September 2015 to head up the business for the next phase of its global development.

For the period ended 31 December 2015, Group turnover totalled £48.2m yielding an operating profit before exceptionals and amortisation costs of £4.5m, this represented a return of 9.3% on sales.

Camira Group Holdings Limited was incorporated to be the ultimate parent company of the Camira Group. This followed a refinancing exercise ('Project Style') which saw Pricoa Capital Group becoming a new investment partner providing finance in the form of debt and equity to the Group.

Goodwill arose as part of the transaction which was subsequently partly allocated to various intangible assets. These assets were the Camira brand, customer relationships and product designs/technical capabilities. Legal and professional fees were incurred as a result of this transaction and can be seen in note 6 to these financial statements

Group sales were strong in the UK exceeding expectations in the Contract and Transport brands despite some nervousness ahead of the General Election in May. Sales were being driven by increased specifications through successful A&D selling strategies and an established London showroom in Clerkenwell. This allows Camira to continue to support the important London (and international) design markets for end-user projects in offices, universities and healthcare.

In our Contract brand, there was a mixed picture of growth in mainland Europe. Whilst sales showed a healthy year on year increase in Scandinavia, unfortunately Central Europe and Germany in particular were disappointing; both regions being materially impacted by a weakening Euro where average rates reduced in value by 11% from 2014 to 2015.

Camira gained significant traction in both the North American and Asia Pacific regions thanks not only to investment in additional personnel, but also through showroom and office expansion in Shanghai, a refurbishment of the Chicago showroom, and the relocation of warehousing in USA from Indianapolis to Grand Rapids in Michigan in 2014. This put Camira at the heart of the world's largest contract furniture companies.

Contract business was impacted positively on a macro trend level, as the taste for pod systems and a more flexible, adaptive workspace continued unabated. This has fuelled demand for larger pieces of soft seating which not only consume more fabric, but also typically use higher value natural wool products rather than lower priced synthetics. We see this trend continuing in education and office, added to which is a greater emphasis on acoustic well-being for which Camira is well placed to continue to take advantage of demand for acoustically transparent fabrics used in conjunction with specialist acoustic panels.

Our healthcare performance collection – for care homes, hospitals and assisted living, as well as straddling into indoor arenas, universities and hospitality – has also shown marked progress notably on our coated fabrics which include closed loop recycled content.

In our Transport brand, UK sales benefited from numerous project wins for new business and refurbishment on both rail and road whilst GermanTransport sales showed a 40% increase in turnover, as investment in new people began to bear dividends.

The Transport business experienced a slow start to 2015 as the cyclical nature of this market sector kicked in, but a stronger performance and improved order intake in the second half of the year has continued into 2016. Camira continues to be one of the few Transport fabric companies which is able to offer the complete range of fabric construction capabilities to cater for different tastes in certain markets and with certain end users – these range from traditional cut pile moquette, to wire woven moquette, flat woven fabrics, as well as transport grade vinyls and leather. The ability to meet complex flammability requirements, especially on rail, is also a continuing point of competitive advantage.

Sustainability in its widest sense (environmental, social and economic) continues to be a core value and differentiator for the Camira Group which is recognised as a world leader in environmental stewardship in textiles. We extended our range of eco-labelled products accredited to the EU Ecolabel which is a growing requirement in certain geographic regions and for public tenders, plus there is a growing interest in so-called HPDs (health product declarations) which we are able to respond to.

Environmental materials range from natural wools to recycled polyesters, including post-industrial, post-consumer and closed loop using our own waste yarns. This is complemented by a new CSR programme called Wool for Water, supporting water projects managed by international water aid charity Just a Drop, and an award winning modern apprenticeship model to nurture our stars of the future and ensure a sustainable skills base.

The directors do not recommend the payment of a dividend

Key performance indicators

	2015	
Stock days	131	Stock/COS*251 (days)
Debtor days	51	Trade debtors/Sales*251 (days)
Creditor days	54	Trade Creditors/COS*251 (days)
Return on capital employed	-7	Profit before tax/ (Net Assets-deferred tax) (%)

*The Group traded for 251 days in the reporting period

Principal risks and uncertainties

The directors are seeking to build an increasingly profitable business by utilising the group's resources and relationships and at the same time carefully managing the risks to the operation. Such risks include:

- foreign currency exchange risk, which is managed through hedging assets against liabilities in foreign currency. In addition, where possible the group mitigates transactional exposures by maximising natural hedges and matching income and expenditure in the same currency. From time to time, the group also takes out, where appropriate, forward exchange contracts to further reduce the exchange risks.
- raw material supply and pricing. The group works closely with a number of key suppliers to ensure a consistent, reliable and constant supply of good quality raw materials. New supply chains are constantly being evaluated to ensure there is scope for growth and security of supply.
- the potential impact of legislative changes to both UK and overseas operations, i.e. Health and Safety, environmental and sustainability impacts.

Future developments

2016 has started very strongly for the Camira Group with growth in sales and orders across all key geographical areas in both our Contract and Transport brands. In our Contract business, this has been achieved from growth in both project based business and the result of increased sales investment in direct personnel in regions such as USA, China, Germany, Netherlands and the UK. In our Transport business, several product developments started in 2015 which will be brought to market in the second half of 2016 targeting expansion in the European bus and coach market, including meeting the trend for a more automotive, technical look and feel for coach interiors, as well as introducing our first eco-labelled fabrics for transport.

Sales appointments in core European territories in the second half of 2016 should help maintain the current momentum. We are expecting to move to new showroom premises in London later in 2016 whilst remaining in the Clerkenwell location. This follows other European showroom openings in Amsterdam in spring 2016 and Stockholm in autumn 2015. Other showrooms are located in Chicago and Shanghai.

Camira continues to be one of the few transport fabric businesses which is able to offer the complete range of fabric construction capabilities to cater for different tastes in specific markets and with specific end users. Additional sales resource in Europe, Australia, and agency changes in North America are all pointing towards a continued growth in sales during the 2016 financial year and beyond.

Investment during 2015 in ICT infrastructure and software is also driving improvements in customer communications and brand building through e-CRM. This is planned to continue for the remainder of the year.

Brexit

Following the referendum on 23 June where the UK voted to exit the European Union the Board have gathered to consider the potential effect on the Group. Professional advice has been sought where appropriate and the potential risks and opportunities an exit presents have been discussed and mapped out.

The Camira Group is in a strong position at present, with strong financial performance, committed and dedicated internal and external shareholders, a clear and positive strategy for 2020, great products and an outstanding workforce. The Group has excellent positions with a broad portfolio of markets and geographies that we operate in that continue to offer significant future opportunities. Volatility in exchange rates is occurring and we anticipated this in advance of the referendum and have taken measures to ensure risk is minimised.

There is no change in strategic direction; on the contrary the successful implementation of our strategy will continue to strengthen the company and place us in the best possible position to exploit the opportunities ahead of us.

This report was approved by the board on 11/7/2016 and signed on its behalf.

N A Brown

N A Brown

Director

DIRECTORS' REPORT AND RESPONSIBILITY STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2015

The directors present their report and the financial statements for the period ended 31 December 2015.

Incorporation

The company was incorporated on the 26th March 2015 and commenced trading on 24th April 2015. As such no comparative information is produced.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; 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.

Directors

The directors who held office during the period were as follows:
N A Brown (appointed 26 March 2015)
A M Schofield (appointed 24 April 2015)
A L Williams (appointed 24 April 2015)
S R Bullas (appointed 24 April 2015)
A S Croall (appointed 24 April 2015)
E Jolly (appointed 24 April 2015)
A Weaver (appointed 24 April 2015)
G Russell (appointed 29 March 2016)

Employment of disabled persons

It is the policy of the group to give full and fair consideration to the employment of disabled persons and their training and career development and to make every effort to retain and assist employees who become disabled in the course of their employment.

Employee involvement

Arrangements exist to inform and consult with employee's representatives on matters of concern to employees.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he/ she ought to have taken as a director to make himself/ herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.
By order of the board

This report was approved by the board on 11/7/2016 and signed on its behalf.

N A Brown

N A Brown

Director

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CAMIRA GROUP HOLDINGS LIMITED

We have audited the financial statements of Camira Group Holdings Limited for the period from 26 March 2015 (date of incorporation) to 31 December 2015 set out on pages 9 to 35. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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 financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 December 2015 and of the Group's loss for the period from 26 March 2015 (date of Incorporation) to 31 December 2015;
- 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 matter prescribed by the Companies Act 2006

In our opinion 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CAMIRA GROUP HOLDINGS LIMITED

Matters on which we are required to report by exception

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

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

Malcolm C Harding

Malcolm Harding (Senior Statutory Auditor)

for and on behalf of
KPMG LLP, Statutory Auditor

1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA
Date: 11 July 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 8 MONTH PERIOD ENDED 31 DECEMBER 2015

	Note	2015 £
Turnover	2	48,160,688
Cost of sales		(27,653,420)
Gross profit		20,507,268
Distribution costs		(2,564,142)
Administrative expenses		(16,048,323)
Operating profit	3	1,894,803
Operating profit before Exceptionals and Amortisation		4,451,083
Redundancy, Relocation and Restructuring Costs	6	(1,403,744)
Amortisation of Intangible assets	9	(1,152,536)
Group share of profit in Joint Venture		271,946
Interest receivable and similar income	7	27,227
Interest payable and similar charges	7	(3,334,191)
Loss before taxation		(1,140,215)
Tax on loss	8	(92,275)
Loss for the period		(1,232,490)
Foreign exchange difference on consolidation of foreign operations		6,286
Revaluation of tangible fixed assets		285,465
Total comprehensive income for the period		(940,739)

CAMIRA GROUP HOLDINGS LIMITED

REGISTERED NUMBER: 09512739

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note		2015 £
Fixed assets			
Intangible assets	9		31,080,230
Tangible assets	11		5,718,323
Investments	12		1,197,727
			37,996,280
Current assets			
Stocks	13	14,380,568	
Debtors: amounts falling due within one year	14	10,995,767	
Cash at bank and in hand	15	3,514,100	
		28,890,435	
Creditors: amounts falling due within one year	16	(10,448,230)	
Net current assets			18,442,205
Total assets less current liabilities			56,438,485
Creditors: amounts falling due after more than one year	17		(37,633,115)
Provisions for liabilities			
Deferred taxation	20	(3,829,082)	
			(3,829,082)
Net assets			14,976,288
Capital and reserves			
Called up share capital	21		177,946
Share premium account	22		15,739,081
Revaluation reserve	22		285,465
Other reserves	22		6,286
Profit and loss account			(1,232,490)
Equity attributable to owners of the parent Company			14,976,288

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

N A Brown 11/7/2016

N A Brown
Director

The notes on pages 15 to 35 form part of these financial statements.

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note	2015 £
Fixed assets		
Investments	12	**15,917,027**
Current assets		
Debtors	14	**5,345,389**
Net Current assets		**5,345,389**
Total assets		**21,262,416**
Creditors: amounts falling due after one year	17	**(5,935,216)**
Net assets		**15,327,200**
Capital and reserves		
Called up share capital	21	**177,946**
Share premium account	22	**15,149,254**
Shareholders funds		**15,327,200**

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

N A Brown

N A Brown
Director 11/7/2016

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2015

	Share capital £	Share premium £	Revaluation reserve £	Other reserves £	Retained earnings £	Total Equity £
At 26th March 2015 (on incorporation)	1	-	-	-	-	1
Comprehensive income for the period	-	-	-	-	(1,232,490)	(1,232,490)
Other Comprehensive income for the period	-	-	285,465	6,286	-	291,751
Total Comprehensive income	-	-	285,465	6,286	(1,232,490)	(940,739)
Shares issued during the period	177,945	15,739,081	-	-	-	15,917,026
Total Transactions with owners	177,945	15,739,081	-	-	-	15,917,026
At 31 December 2015	177,946	15,739,081	285,465	6,286	(1,232,490)	14,976,288

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2015

	Share capital	Share premium	Retained Earnings	
	£	£	£	£
At 26 March 2015 (on Incorporation)	1			1
Comprehensive income for the period	-	-	(589,827)	(589,827)
Total comprehensive income for the period	-	-	(589,827)	(589,827)
Contributions by and distributions to owners				
Shares issued during the period	177,945	15,739,081	-	15,917,026
Total transactions with owners	177,945	15,739,081	-	15,917,026
At 31 December 2015	177,946	15,739,081	(589,827)	15,327,200

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2015

	2015 £
Cash flows from operating activities	
Loss for the financial period	(1,232,490)
Adjustments for:	
Amortisation of intangible assets	1,152,536
Depreciation of tangible assets	765,867
Increase in stocks	(707,844)
Interest paid	2,015,477
Redemption premium	295,356
Interest received	(27,227)
Taxation	82,619
Decrease in debtors	1,296,381
Decrease in Other debtors	3,651
Increase in Creditors	(1,366,490)
Increase in Other Creditors	1,094,815
Non cash interest	1,023,358
Corporation tax	(591,603)
Net cash generated from operating activities	3,804,406
Cash flows from investing activities	
Purchase of tangible fixed assets	(437,439)
Purchase of fixed asset investments	47,977
Interest received	27,227
Investment in Subsidiary net of cash acquired	(42,326,389)
Net cash from investing activities	(42,688,624)
Cash flows from financing activities	
Issue of ordinary shares	15,917,027
Proceeds from new loan	36,733,977
Repayment of loans (including redemption premium)	(7,208,000)
Interest paid	(2,015,477)
Fees paid in relation to refinancing	(1,029,209)
Net cash used in financing activities	42,398,318
Net increase in cash and cash equivalent	3,514,100
Cash and cash equivalents at the end of period comprise:	
Cash at bank and in hand	3,514,100

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Company's accounting policies (see note).

The following principal accounting policies have been applied:

1.2 Basis of consolidation

The consolidated financial statements include the financial statements of the company and its subsidiary undertakings made up to 31 December 2015. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the period are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

The group also holds an interest on a long-term basis in the share capital of Park Valley Dyers Limited, which is jointly controlled by the group and another venture under a contractual arrangement. Park Valley Dyers Limited is accounted for using the gross equity method.

Under s408 of the Companies Act 2006 the company is exempt from the requirement to present its own profit and loss account.

1.3 Associates and joint ventures

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated Statement of Comprehensive Income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated Balance Sheet, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

1. Accounting policies (continued)

1.4 Going concern

The group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report on page 1.

The financial position of the group, its cash flows, liquidity position and borrowing facilities are described in the group's cash flow statement and notes to the financial statements.

The group's forecasts and projections, taking into account reasonable sensitivities in trading performance, show that the group is able to operate within the level of its current facility and meet its covenants.

The directors believe that the group 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.

1.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1. Accounting policies (continued)

1.6 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Profit and Loss Account over 16 years.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

Intangible assets Brand, Customer relations and Products were acquired on acquisition. All classes have been amortised over their useful life which has been determined as 16 years

1.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss 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:

Freehold property	- 2.5-10% per annum
Short-term leasehold property	- Life of Lease
Plant and machinery	- 10-20% per annum
Motor vehicles	- 20-25% per annum
Office equipment	- 10-33.3% per annum

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 Consolidated Statement of Comprehensive Income.

1. Accounting policies (continued)

1.8 *Revaluation of tangible fixed assets*

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance Sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Consolidated Statement of Comprehensive Income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

1.9 Operating leases: Lessee

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

1.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated Profit and Loss Account for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

1.11 Stocks

Stocks are stated at direct cost plus attributable overheads or net realisable value if lower.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

1.12 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1. Accounting policies (continued)

1.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

1.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.15 Foreign currency translation

Functional and presentation currency

The Group's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

1.16 Leased assets: Lessee

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease.

Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

1. *Accounting policies (continued)*

1.17 Pensions

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

1.18 Interest income

Interest income is recognised in the Profit and Loss Account using the effective interest method.

1.19 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset/are expensed as incurred

Those costs that do not meet the above criteria are recognised in the Profit and Loss Account in the period in which they are incurred.

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account.

1.20 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and Loss Account in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

1.21 Complex Financial instruments

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value.

Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate.

The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

Redeemable shares are classified as a compound financial instrument split into debt and equity components. The debt element is initially recognised at fair value and subsequent changes in fair value are recognised in profit and loss within finance income or costs as appropriate.

1. Accounting policies (continued)

1.22 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

1.23 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project. The expenditure is treated as if it were all incurred in the research phase only.

2. *Analysis of turnover*

The turnover and profit before taxation are attributable to the company's principal activity.

A geographical analysis is not given as, in the opinion of the directors; its disclosure would be seriously prejudicial to the interest of the company.

	2015
	£
Group Turnover	48,160,688
	48,160,688

3. Operating profit

The operating profit is stated after charging:

	2015
	£
Depreciation of tangible fixed assets	774,875
Amortisation of intangible assets, including goodwill	1,152,536
Fees payable to the Group's auditor and its associates for the audit of the company's annual accounts	78,125
Operating lease charge	1,538,857

4. Auditor's remuneration

	2015
	£
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	78,125
Other fees paid to Group Auditor including tax	28,295
Project Style fees	594,382
	700,802

5. Staff and Directors

Staff costs were as follows:

	2015
	£
Wages and salaries	9,972,863
Social security costs	735,401
Pension costs	289,054
	10,997,318

The average monthly number of employees, including the directors, during the period was as follows:

	2015
	No.
Selling and Administration	208
Manufacturing and Distribution	477
	685

Directors

Directors remuneration totalled £758,433 in the period. 5 Directors were in a Defined contributions scheme and payments to the scheme totalled £49,357.

The highest paid Director received £157,479 in remuneration and had contributions to the defined contributions scheme of £11,527 made on their behalf.

6. Exceptional items

	2015
	£
Restructuring fees	1,403,744

Fees incurred as part of the group restructuring with the creation a new holding company and ultimate parent company. Fees also incurred with the refinancing involving a new investment partner, Pricoa Capital Group, replacing the incumbent investor, Cavendish.

7. Interest receivable and Payable

	2015
	£
Other Interest receivable	27,227
Other Interest payable	(2,744,364)
Net loss on financial liabilities measured at fair value	(589,827)
Net interest and similar charges	(3,306,964)

8. Taxation

	2015 £
Corporation tax	
Current tax on profits for the year	552,565
Prior year Corporation tax adjustment	30,577
Total current tax	583,142
Deferred tax	
Origination and reversal of timing differences	(65,659)
Changes to tax rates	(425,208)
Total deferred tax	(490,867)
Taxation on loss on ordinary activities	92,275

8. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK of 20%. The differences are explained below:

	2015 £
Loss on ordinary activities before tax	(1,140,215)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20%	(228,043)
Effects of:	
Non-tax deductible amortisation of goodwill and impairment	483,823
Adjustments to closing DT	(416,721)
Higher rate taxes on overseas earnings	(50)
Adjustments to tax charge in respect of prior periods	70
Utilisation of losses brought forward	(3,482)
Short term timing difference leading to an increase (decrease) in taxation	73,979
Fixed asset timing difference	(23,145)
Deferred Tax assets not recognised	1,172
Non tax deductible interest	204,672
Total tax charge for the period	**92,275**

9. **Intangible assets**

Group	Customer Relations	Products design and technical capabilities	Camira Brand	Goodwill	Total
	£	£	£	£	£
Cost					
Additions	**6,995,367**	**5,558,968**	**8,338,452**	**11,339,979**	**32,232,766**
At 31 December 2015	**6,995,367**	**5,558,968**	**8,338,452**	**11,339,979**	**32,232,766**
Amortisation					
Charge for the period	**291,473**	**231,623**	**347,435**	**282,005**	**1,152,536**
At 31 December 2015	**291,473**	**231,623**	**347,435**	**282,005**	**1,152,536**
Net book value					
At 31 December 2015	**6,703,894**	**5,327,345**	**7,991,017**	**11,057,974**	**31,080,230**

10. **Parent Company Profit for the year**

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The parent company made a loss in the period of £589,827

11. Tangible fixed assets

Group

	Freehold property	Long-term leasehold property	Plant and machinery	Motor vehicles	Fixtures and fittings	Other fixed assets	Total
	£	£	£	£	£	£	£
Cost or valuation							
Additions	-	116,910	266,901	-	98,187	196,550	678,548
Acquisition of subsidiary (note23)	1,802,420	1,067,034	7,863,382	273,522	1,289,236	315,534	12,611,128
Disposals	-	(1,390)	(3,557)	-	(5,414)	-	(10,361)
Exchange adjustments	(113,537)	-	(118,743)	(1,345)	(4,340)	-	(237,965)
Revaluations	-	285,465	-	-	-	-	285,465
At 31 December 2015	1,688,883	1,468,019	8,007,983	272,177	1,377,669	512,084	13,326,815
Depreciation							
Charge for the period	-	87,436	473,942	27,051	92,838	93,308	774,875
Acquisition of subsidiary (note 23)	472,818	722,666	4,479,265	168,198	1,006,977	93,608	6,943,532
Disposals	-	(452)	(2,065)	-	(6,490)	-	(9,007)
Exchange adjustments	(29,784)	708	(67,136)	(995)	(3,701)	-	(100,908)
At 31 December 2015	443,034	810,358	4,884,006	194,254	1,089,624	187,216	7,608,492
Net book value							
At 31 December 2015	1,245,849	657,661	3,123,977	77,923	288,045	324,868	5,718,323

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The net book value of land and building may be further analysed as follows:

	2015 £
Freehold	1,355,601
Long leasehold	549,785
	1,905,386

12. Fixed asset investments

On 24th April 2015, Camira Group Holdings limited acquired 100% of Camira Holdings Limited. This included a 50% Joint Venture with Holmfirth Dyers for the subsidiary Park Valley Dyers.

Group	**Investment in joint ventures £**
Cost or valuation	
Acquisition of Joint Venture undertaking	1,180,033
Share of result of joint venture	17,694
At 31 December 2015	1,197,727
Net book value	
At 31 December 2015	1,197,727

Subsidiary undertakings
The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Holding	Principal activity
Camira Holdings Limited	England	100 %	Holding Company
Camira Group Limited	England	100 %	Holding Company
Camira Fabrics Limited	England	100 %	Textile manufacturers and distributors
Camira Transport Limited	England	100 %	Textile manufacturers and distributors
Camira Yarns Limited	England	100 %	Yarn Spinners
Flying Magic Limited	England	100 %	Textile Services
J Bradbury & Co (Saddleworth) Limited	England	100 %	Textile manufacturers and distributors

12. Fixed asset investments (continued)

Name	Country of incorporation	Holding	Principal activity
UAB Camira Fabrics	Lithuania	100%	Textile Services
Camira Fabrics Gmbh	Germany	100%	Textile Services
Camira Group PTY	Australia	100%	Textile distributors
Camira Fabrics Shanghai Limited	China	100%	Textile distributors
Camira Group Inc	USA	100%	Textile distributors
Park Valley Dyers Limited	England	50%	Dyers
Camira Fabrics Hong Kong	Hong Kong	100%	Textile distributors
Camborne Holdings Limited	England	100%	Dormant
Camira International Limited	England	100%	Dormant
Meltham Plant Limited	England	100%	Dormant
Natural Fibre Tex Limited	England	100%	Dormant
Glenside Fabrics Limited	England	100%	Dormant
Camborne Fabrics Limited	England	100%	Dormant
Camborne Textile systems Limited	England	100%	Dormant
Nortex Europe Limited	England	100%	Dormant
Camira Limited	England	100%	Dormant

Company	Investments in subsidiary companies £
Addition during the period	15,917,027
At 31 December 2015	15,917,027
Net book value	
At 31 December 2015	15,917,027

On 24th April 2015 the company acquired 100% of Camira Holdings Limited for £15,917,027

13. Stocks

	Group 2015	Company 2015
	£	£
Raw materials and consumables	4,906,588	-
Work in progress (goods to be sold)	2,168,103	-
Finished goods and goods for resale	7,305,877	-
	14,380,568	-

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the period amounted to £32,267,073. In the period there were provisions totalling £937,775. There were no reversals of write-downs

14. Debtors

	Group 2015	Company 2015
	£	£
Trade debtors	9,714,385	-
Other debtors	807,490	-
Prepayments and accrued income	473,892	-
Amounts owed to group undertakings	-	5,345,389
	10,995,767	5,345,389

Amounts owed to from group subsidiaries totalled £5,345,389 the amount is interest free and repayable on demand.

15. Cash and cash equivalents

	Group 2015 £	Company 2015 £
Cash at bank and in hand	3,514,100	-
	3,514,100	-

16. Creditors: Amounts falling due within one year

	Group 2015 £	Company 2015 £
Trade creditors	5,967,506	-
Taxation and social security	1,245,415	-
Other creditors	37,350	-
Accruals and deferred income	3,197,959	-
	10,448,230	-

17. Creditors: Amounts falling due after more than one year

	Group 2015 £	Company 2015 £
Other loans	37,627,021	5,935,216
Net obligations under finance leases and hire purchase contracts	6,094	-
	37,633,115	5,935,216

18. Loans

	Group 2015 £	Company 2015 £
Amounts falling due after one year		
Investor loans	30,786,955	-
Shares classified as debt	5,935,216	5,935,216
Accrued interest	904,850	-
	37,627,021	5,935,216

The investor loans are made up of 3 loans; Senior secured loan notes, Senior subordinated loan notes and Junior unsecured loan notes.

The senior secured loan has a principal of £20,000,000 with a loan period of 6 years with interest at Libor + 5% (with a minimum LIBOR of 1%). Interest of £1,200,000 is due in 2016

The Senior subordinated notes have a principal of £11,500,000 with a loan period of 7 years with Interest part paid (11%) and part PIK (2%) giving a rate of 13%. Interest of £1,526,421 is due in 2016

The Junior notes have a principal value of £5,231,000 with a loan period of 7 years with rolling interest of 8%. Interest of £491,799 is due in 2016.

Fees incurred of £1,029,209 on the arrangement of the loans have been capitalised against the loan amount. These will be amortised over the facility length of the applicable loan.

There is a debt element to the redeemable B shares due to a redemption option on them exercisable in 7 years. These have been accounted for as compound financial instruments. The debt component was initially recognised at fair value and changes recognised in profit or loss. The redemption value at the option maturity date in April 2022 is based on a multiple of forecast EBITDA. The liability has been estimated at £16,042,805 as at April 2022 based on management forecasts, which was discounted to obtain a present value. There have been no changes in the fair value assumptions in the period. Unwinding of the discount gives a charge in the year to the P&L of £589,828 and a liability as at December 2015 of £5,935,216.

19. Hire purchase and finance leases

	Group 2015 £
Within one year	6,094
	6,094

20. Deferred taxation

Group

	Deferred tax £
Charged to the profit or loss	490,868
Arising on business combinations	(4,319,951)
At 31 December 2015	**(3,829,083)**

21. Share capital

	Incorporation	Sub Division	Allotment	Nominal value (£)	Share Capital
A Ordinary	1	(1)	-	1	-
A Ordinary	-	100	15,880,098	0.01	158,802
Redeemable B	-	-	3,970,050	0.001	3,970
C Ordinary	-	-	817,363	0.01	8,174
D Ordinary	-	-	700,000	0.01	7,000
					177,946

Share classes rank pari-passu with regards to voting rights.

Redeemable B shares along with an associated redemption option are held by Pricoa Capital Group. The option is only exercisable from 24 April 2022 or in the instance of one or more of certain events occurring, as set out in the company's Articles of Association. The events include; repayment or acceleration of the Senior subordinated loan notes, winding up of the company (voluntarily or involuntary).

Redeemable shares have been accounted for as a compound financial instrument, see note 18.

22. Reserves

	Share premium £	Revaluation reserve £	Other reserves £	Total £
At 24th April 2015	-	-	-	-
Other Comprehensive income for the period	-	285,465	6,286	291,751
Shares issued during the period	15,739,081	-	-	15,739,081
Total Transactions with owners	15,739,081	-	-	15,739,081
At 31 December 2015	15,739,081	285,465	6,286	16,030,832

Revaluation reserve balance has arisen as the result of a revaluation of a property in the period. The other reserves balance is a translation reserve on consolidation.

23. Business combinations

On the 24th April 2015, Camira Group Holdings Limited acquired 100% of Camira Holdings Limited. The acquisition had the following affect on the Group's assets and Liabilities.

	Book Value	Fair values
	£	£
Tangible	5,667,596	5,667,596
Intangible	465,063	21,357,850
Investment	1,245,704	1,245,704
	7,378,363	28,271,150
Stocks	13,672,724	13,672,724
Debtors	12,295,799	12,295,799
Cash at bank and in hand	3,729,760	3,729,760
Total assets	37,076,646	57,969,433
Creditors due within one year	(7,333,996)	(7,333,996)
Deferred tax on differences between fair value and tax bases	67,395	(4,038,834)
Corporation Tax	(508,984)	(508,984)
Other Creditors and accruals	(7,118,945)	(7,118,945)
Junior subordinated Loan	(3,786,871)	(3,786,871)
Net Identifiable assets and liabilities	18,395,245	35,181,803
Goodwill on acquisition		10,874,916
Total purchase consideration		46,056,719

Fair value adjustments on acquisition have been made for the intangible assets identified; Customer Relationships, Product design and technical capabilities, and Camira Brand.

There were no other fair value adjustments to the opening balance sheet following this business combination. As such the book value of the acquisition balance sheet equals the fair value

24. Contingent liabilities

The group has a rolling credit facility for working capital management, although at present the balance drawn down is £nil. The facility is secured against all the assets of the company.

The Group has in place unconditional bank guarantees of CHF 138,000 in respect of customers at the year end.

25. Operating Lease Commitments

At 31 December 2015 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows

Total Commitment	**Group 2015 £**
Not later than 1 year	**1,512,718**
Not later than 1 year and not later than 5 years	**4,157,207**
Later than 5 years	**5,181,644**
	10,851,569

26. Related party transactions

The company has taken advantage of the exemptions contained in FRS 102 not to disclose transactions with fellow group companies which are 100% owned.

In addition, the Group traded on normal commercial terms during the period with Park Valley Dyers Limited, a related party of the Group.

In respect of Park Valley Dyers Limited, amounts purchased in the period totalled £1,319,575 and £182,375 was payable by the Group as at the period end.

S Waite acted during the period as a director of J Bradbury & Company (Saddleworth) Limited and Crystal Outskirts Limited, a company controlled by him. During the period the company traded with Crystal Outskirts Limited. Transactions were carried out on an arms length basis, relating principally to the lease of the premises occupied by the company and owned by Crystal Outskirts Limited. The amount was £65,100. Amounts outstanding at the period end were £nil.

During the year the Group paid fees of £734,620 to Pricoa Capital Group as payment of fees for the restructuring and refinancing of the business in the year.