Registered number
05288921

INDIGO FOOTWEAR UK LIMITED

Report and Financial Statements

31 December 2017

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INDIGO FOOTWEAR UK LIMITED
Report and accounts
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INDIGO FOOTWEAR UK LIMITED
Company Information

Directors
Ranjit Singh
Gurdip Kaur

Auditors
Amstor Accountants Ltd
15 Leopold Street
High Gate
Birmingham
B12 0UP

Bankers
Natwest Bank Plc
Barclays Bank Plc

Registered office
Former Ambulance Station
Henrietta Street
Birmingham B19 3QE

Registered number
05288921

INDIGO FOOTWEAR UK LIMITED
Registered number: 05288921
Directors' Report

The directors present their report and financial statements for the year ended 31 December 2017.

Principal activities
The company's principal activity during the year continued to be that of wholesale of footwear.

Directors
The following persons served as directors during the year:

Ranjit Singh
Gurdip Kaur

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (Financial Reporting Standard 102 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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Disclosure of information to auditors
Each person who was a director at the time this report was approved confirms that:

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

This report was approved by the board on 26 March 2019 and signed on its behalf.

Ranjit Singh
Director

INDIGO FOOTWEAR UK LIMITED
Strategic Report

PRINCIPAL ACTIVITY
The principal activity of the company continues to be the wholesale of footwear.

REVIEW OF BUSINESS
The profit and loss account are set out on page 8. These accounts are for a 12-month period compared to previous period for 9-month. When pro-rated the turnover has decreased by a lot.
The profit before tax has decreased from £2,686,086 for period ending 31/12/2016 to £1,460,657 for the year ending 31/12/2017.
The balance sheet at 31 December 2017 shows 'total assets less current liabilities' of £735,084 (31/12/2016 - £1,623,788) with shareholders' funds at £782,087 compared to £1,686,459 at 31 December 2016.

PRINCIPAL RISKS AND UNCERTAINTIES
As in any trading organisation, the director acknowledges that as well as rewards, there are risks and uncertainties which are constantly monitored. The company is dependent upon the supply of products from overseas and the demand of the UK market.
The directors believe that the company has adequate financial resources in place to enable continued trading for the foreseeable future and all risks and uncertainties are reasonably covered.

DEVELOPMENT AND PERFORMANCE
The director continues to be encouraged by the results and remains committed to the future success of the company. Based on an initial assessment for the coming year the company should experience similar results depending on its ability to maintain the current level of operations and continue to control expenses.

Employees
In the period ending 31/12/2017, the Company employed an average of 21 people (31/12/2016: 18).

FINANCIAL KEY PERFORMANCE INDICATORS
We consider that our key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, these being profit levels and profit margins. Overall, profit margins decreased by 5%. Gross margin remained at 23% this period and profit before taxation decreased from 20% last year to 15% this year. Drop in margins was due to market competition and the company expects to achieve growth in its revenue by offering competitive prices.

The directors believe that the company has adequate financial resources in place to enable continued trading for the foreseeable future and all risks and uncertainties are reasonably covered.

This report was approved by the board of directors on 26 March 2019 and signed on behalf of the board by:

Ranjit Singh
Director

INDIGO FOOTWEAR UK LIMITED
Independent auditor's report
to the members of INDIGO FOOTWEAR UK LIMITED

Opinion
We have audited the financial statements of INDIGO FOOTWEAR UK LIMITED for the year ended 31 December 2017 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other 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.

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

Basis of opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:
- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information
The other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

INDIGO FOOTWEAR UK LIMITED
Independent auditor's report
to the members of INDIGO FOOTWEAR UK LIMITED

Matters on which we are required to report by exception
In the 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 the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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; or

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Farhan Khatri
(Senior Statutory Auditor)
for and on behalf of
Amstor Accountants Ltd
Accountants and Statutory Auditors
26 March 2019

15 Leopold Street
High Gate
Birmingham
B12 0UP

INDIGO FOOTWEAR UK LIMITED
Income Statement
for the year ended 31 December 2017

	Notes	2017 £	2016 £
Turnover	2	9,015,948	12,913,643
Cost of sales		(6,960,228)	(9,948,035)
Gross profit		2,055,720	2,965,608
Administrative expenses		(732,185)	(348,742)
Other operating income		37,879	26,456
Operating profit	3	1,361,414	2,643,322
Interest receivable		352	61
Interest payable	5	(2,386)	(6,964)
Profit on ordinary activities before taxation		1,359,380	2,636,419
Tax on profit on ordinary activities	6	(263,752)	(529,763)
Profit for the financial year		1,095,628	2,106,656

INDIGO FOOTWEAR UK LIMITED
Statement of comprehensive income
for the year ended 31 December 2017

	Notes	2017 £	2016 £
Profit for the financial year		1,095,628	2,106,656
Other comprehensive income			
Total comprehensive income for the year		1,095,628	2,106,656

INDIGO FOOTWEAR UK LIMITED
Statement of Financial Position
as at 31 December 2017

	Notes		2017 £		2016 £
Fixed assets					
Tangible assets	7		47,003		62,671
Current assets					
Stocks	8	801,310		455,860	
Debtors	9	1,168,642		3,276,435	
Cash at bank and in hand		1,399,638		1,197,062	
		3,369,590		4,929,357	
Creditors: amounts falling due within one year	10	(2,634,506)		(3,305,569)	
Net current assets			735,084		1,623,788
Net assets			782,087		1,686,459
Capital and reserves					
Called up share capital	11		100		100
Profit and loss account	12		781,987		1,686,359
Total equity			782,087		1,686,459

Ranjit Singh
Director
Approved by the board on 26 March 2019

INDIGO FOOTWEAR UK LIMITED
Statement of Changes in Equity
for the year ended 31 December 2017

	Share capital	Share premium	Other reserves	Profit and loss account	Total
	£	£	£	£	£
At 1 April 2016	100	-	-	1,379,703	1,379,803
Profit for the period				2,106,656	2,106,656
Dividends				(1,800,000)	(1,800,000)
At 31 December 2016	100	-	-	1,686,359	1,686,459
At 1 January 2017	100	-	-	1,686,359	1,686,459
Profit for the financial year				1,095,628	1,095,628
Dividends				(2,000,000)	(2,000,000)
At 31 December 2017	100	-	-	781,987	782,087

INDIGO FOOTWEAR UK LIMITED
Statement of Cash Flows
for the year ended 31 December 2017

	Notes	2017 £	2016 £
Operating activities			
Profit for the financial year		1,095,628	2,106,656
Adjustments for:			
Interest receivable		(352)	(61)
Interest payable		2,386	6,964
Tax on profit on ordinary activities		263,752	529,763
Depreciation		15,668	14,104
Increase in stocks		(345,450)	(328,651)
Decrease/(increase) in debtors		2,107,793	(2,081,022)
Increase in creditors		118,811	2,334,172
		3,258,236	2,581,925
Interest received		352	61
Interest paid		(2,386)	(6,964)
Corporation tax paid		(1,053,626)	4,889
Cash generated by operating activities		2,202,576	2,579,911
Investing activities			
Payments to acquire tangible fixed assets		-	(3,010)
Cash used in investing activities		-	(3,010)
Financing activities			
Equity dividends paid		(2,000,000)	(1,800,000)
Cash used in financing activities		(2,000,000)	(1,800,000)
Net cash generated			
Cash generated by operating activities		2,202,576	2,579,911
Cash used in investing activities		-	(3,010)
Cash used in financing activities		(2,000,000)	(1,800,000)
Net cash generated		202,576	776,901
Cash and cash equivalents at 1 January		1,197,062	420,161
Cash and cash equivalents at 31 December		1,399,638	1,197,062
Cash and cash equivalents comprise:			
Cash at bank		1,399,638	1,197,062

INDIGO FOOTWEAR UK LIMITED
Notes to the Accounts
for the year ended 31 December 2017

1 Summary of significant accounting policies

Basis of preparation
The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Turnover
Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

Tangible fixed assets
Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Plant and machinery	over 5 years
Fixtures, fittings, tools and equipment	over 5 years

Investments
Investments in subsidiaries, associates and joint ventures are measured at cost less any accumulated impairment losses. Listed investments are measured at fair value. Unlisted investments are measured at fair value unless the value cannot be measured reliably, in which case they are measured at cost less any accumulated impairment losses. Changes in fair value are included in the profit and loss account.

Stocks
Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first in first out method. The carrying amount of stock sold is recognised as an expense in the period in which the related revenue is recognised. Import duty and transport costs are charged to Profit & Loss in the year they are incurred.

Debtors
Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

Creditors
Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Taxation
A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that 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 the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liabilities are not discounted.

Provisions
Provisions (ie liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

Foreign currency translation
Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction.

At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to profit or loss.

Leased assets
A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases. The rights of use and obligations under finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Minimum lease payments are apportioned between the finance charge and the reduction in the outstanding liability using the effective interest rate method. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability. Leased assets are depreciated in accordance with the company's policy for tangible fixed assets. If there is no reasonable certainty that ownership will be obtained at the end of the lease term, the asset is depreciated over the lower of the lease term and its useful life. Operating lease payments are recognised as an expense on a straight line basis over the lease term.

Pensions
Contributions to defined contribution plans are expensed in the period to which they relate.

2 Analysis of turnover

	2017 £	2016 £
Sale of goods	9,015,948	12,913,643
By geographical market:		
UK	6,791,475	12,402,159
Europe	974,297	511,484
Rest of world	1,250,176	-
	9,015,948	12,913,643

3 Operating profit

	2017 £	2016 £
This is stated after charging:		
Depreciation of owned fixed assets	15,668	14,104
Auditors' remuneration for audit services	14,000	14,000
Key management personnel compensation (including directors' emoluments)	50,034	50,034
Carrying amount of stock sold	6,960,228	9,887,585

4 Staff costs

	2017	2016
	£	£
Wages and salaries	304,763	150,040
Social security costs	21,089	7,638
Other pension costs	1,815	-
	327,667	157,678

Average number of employees during the year	Number	Number
Administration	14	14
Development	3	2
Marketing	4	2
	21	18

5 Interest payable

	2017	2016
	£	£
Other loans	2,386	6,964

6 Taxation

	2017	2016
	£	£
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	263,752	529,763
Tax on profit on ordinary activities	263,752	529,763

Factors affecting tax charge for period
The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2017	2016
	£	£
Profit on ordinary activities before tax	1,359,380	2,636,419
Standard rate of corporation tax in the UK	20%	20%
	£	£
Current tax charge for period	263,752	529,763

7 Tangible fixed assets

	Plant and machinery *At cost*	Fixtures, fittings, tools and equipment *At cost*	Total
	£	£	£
Cost or valuation			
At 1 January 2017	128,004	3,010	131,014
At 31 December 2017	128,004	3,010	131,014
Depreciation			
At 1 January 2017	66,863	1,480	68,343
Charge for the year	15,668	-	15,668
At 31 December 2017	82,531	1,480	84,011
Carrying amount			
At 31 December 2017	45,473	1,530	47,003
At 31 December 2016	61,141	1,530	62,671

8 Stocks

	2017	2016
	£	£
Finished goods and goods for resale	801,310	455,860

9 Debtors	2017 £	2016 £
Trade debtors	1,132,314	3,398,200
Other debtors	32,771	(121,765)
Prepayments and accrued income	3,557	-
	1,168,642	3,276,435

10 Creditors: amounts falling due within one year	2017 £	2016 £
Trade creditors	119,520	215,653
Amounts owed to group undertakings and undertakings in which the company has a participating interest	2,233,351	2,133,351
Corporation tax	145,901	935,775
Other taxes and social security costs	13,777	6,790
Other creditors	104,791	-
Accruals and deferred income	17,166	14,000
	2,634,506	3,305,569

11 Share capital	Nominal value	2017 Number	2017 £	2016 £
Allotted, called up and fully paid:				
Ordinary shares	£1 each	100	100	100

12 Profit and loss account	2017 £	2016 £
At 1 January	1,686,359	1,379,703
Profit for the financial year	1,095,628	2,106,656
Dividends	(2,000,000)	(1,800,000)
At 31 December	781,987	1,686,359

13 Dividends	2017 £	2016 £
Dividends on ordinary shares (note 12)	2,000,000	1,800,000

14 Presentation currency

The financial statements are presented in Sterling.

15 Legal form of entity and country of incorporation

INDIGO FOOTWEAR UK LIMITED is a private company limited by shares and incorporated in England and Wales.

16 Principal place of business

The address of the company's principal place of business and registered office is:

Former Ambulance Station
Henrietta Street
Birmingham B19 3QE

INDIGO FOOTWEAR UK LIMITED
Detailed profit and loss account
for the year ended 31 December 2017
This schedule does not form part of the statutory accounts

	2017 £	2016 £
Sales	9,015,948	12,913,643
Cost of sales	(6,960,228)	(9,948,035)
Gross profit	2,055,720	2,965,608
Administrative expenses	(732,185)	(348,742)
Other operating income	37,879	26,456
Operating profit	1,361,414	2,643,322
Interest receivable	352	61
Interest payable	(2,386)	(6,964)
Profit before tax	1,359,380	2,636,419

INDIGO FOOTWEAR UK LIMITED
Detailed profit and loss account
for the year ended 31 December 2017
This schedule does not form part of the statutory accounts

	2017 £	2016 £
Sales		
Sale of goods	9,015,948	12,913,643
Cost of sales		
Purchases	7,305,678	10,258,707
Increase in stocks	(345,450)	(328,651)
Commissions payable	-	17,979
	6,960,228	9,948,035
Administrative expenses		
Employee costs:		
Wages and salaries	237,626	100,006
Directors' salaries	67,137	50,034
Pensions	1,815	-
Employer's NI	21,089	7,638
Staff training and welfare	7,636	10,483
Travel and subsistence	69,439	27,507
Motor expenses	72	2,988
	404,814	198,656
Premises costs:		
Rent	36,000	27,000
Rates	22,743	31,852
Light and heat	12,851	4,547
Cleaning	702	455
	72,296	63,854
General administrative expenses:		
Telephone and fax	5,201	3,478
Postage	24	-
Stationery and printing	8,701	5,535
Subscriptions	6,889	188
Bank charges	4,731	2,848
Insurance	12,886	4,957
Equipment hire	154	182
Software	6,091	681
Repairs and maintenance	16,082	16,361
Depreciation	15,668	14,104
Bad debts	134,370	-
Sundry expenses	833	6,287
	211,630	54,621
Legal and professional costs:		
Audit fees	-	14,000
Accountancy fees	13,375	4,875
Consultancy fees	4,480	-
Advertising and PR	13,288	7,881
Other legal and professional	12,302	4,855
	43,445	31,611
	732,185	348,742

INDIGO FOOTWEAR UK LIMITED
Detailed profit and loss account
for the year ended 31 December 2017
This schedule does not form part of the statutory accounts

	2017 £	2016 £
Other operating income		
Other operating income	37,879	26,456