

**The Wakefield Shirt Company Limited and  
its subsidiary undertakings**

**Group Strategic Report,  
Report of the Directors and  
Consolidated Financial Statements**

**Year Ended 31 December 2013**

Jolliffe Cork LLP  
Chartered Accountants & Statutory Auditor  
33 George Street  
Wakefield  
West Yorkshire  
WF1 1LX

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**The Wakefield Shirt Company Limited and  
its subsidiary undertakings**

**Contents of the Consolidated Financial Statements  
for the year ended 31 December 2013**

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**The Wakefield Shirt Company Limited and  
its subsidiary undertakings**

**Company Information  
for the year ended 31 December 2013**

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**DIRECTORS:**

Mr R J Donner  
Mr R John Donner

**SECRETARIES:**

Mrs N A Donner  
Mr K R Mellor

**REGISTERED OFFICE:**

P.O. Box 1  
Thornes Lane Wharf  
Wakefield  
West Yorkshire  
WF1 5RQ

**REGISTERED NUMBER:**

00361629 (England and Wales)

**AUDITORS:**

Jolliffe Cork LLP  
Chartered Accountants & Statutory Auditor  
33 George Street  
Wakefield  
West Yorkshire  
WF1 1LX

**BANKERS:**

Yorkshire Bank plc  
6-10 Northgate  
Wakefield  
West Yorkshire  
WF1 1TA

# **The Wakefield Shirt Company Limited and its subsidiary undertakings**

## **Group Strategic Report for the year ended 31 December 2013**

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The directors present their strategic report of the company and the group for the year ended 31 December 2013.

### **REVIEW OF BUSINESS**

The results of 2013 were similar to those of 2012 and the directors are satisfied with the results for the year.

Sales increased during the year due to a significant increase in sales to Double Two's largest customer. Sales in Double Two retail were flat for the year. Wholesale sales of Double Two branded product were down slightly in the year. Gross margins decreased slightly due to a change in the mix of sales. Sales and profits in the career and work wear division increased with new contracts and new uniform projects for existing customers coming to fruition.

Profits were lower at the operating level due to higher stock write downs and overheads rose slightly due to inflation and the increased level of activity.

The sale of our associated company, Leading Labels was finally completed during the year.

Our FRS 17 Defined Benefit Pension Scheme liability decreased. This is mostly due to an increase in the book value of the liabilities due to low bond yields, more than offset by a strong performance of the investments and continued higher contributions from the company to reduce the deficit.

2014 has started poorly but there is a strong forward order book for the year in all divisions. 2014 will see an increase in turnover as our own brand shirt contracts recover and other divisions continue to grow.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

#### **Risk Analysis**

Sales - market conditions and the state of the economy can adversely affect sales and profits. The directors mitigate this through the reduction in overheads to align overhead with the level of trade.

Exchange Rates - much of the Group's merchandise is purchased in US dollars. Our largest contracts are paid for in dollars and are therefore self hedged but the group also buys currency forward and sets prices in relation to known exchange rates given the long lead time for garment supply.

Raw materials -the prices of raw materials such as cotton are traded and volatile. The group fixes prices at least a quarter in advance and negotiates larger sales contracts with price adjustment clauses to take these changes into account.

Sourcing - the group sources in many countries to reduce the risk from natural disasters and civil unrest. The group would swap sources where appropriate to mitigate the effects of such changes to the sourcing landscape.

Information Technology - The group has back up procedures with both on and off site back up data and the ability to use an off site back up mainframe computer to replicate our operations should the need arise.

**The Wakefield Shirt Company Limited and  
its subsidiary undertakings**

**Group Strategic Report  
for the year ended 31 December 2013**

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**KEY PERFORMANCE INDICATORS**

Sales - the directors monitor the level of sales v. budget on a monthly basis through the management accounts. The executive sales directors and sales managers report to the executive directors meeting every 6 weeks as to the level of forward orders received. This is used to plan future resources required for the business

Gross Profit - the directors monitor the level of gross profit on a monthly basis through the management accounts and use this to ensure that the business has sufficient income.

Overheads - the directors monitor the level of overhead expenditure on a monthly basis through the management accounts and adjust expenditure to match the level of business and income.

Personnel - the levels of personnel in each area are monitored monthly and the directors use this information to ensure that resources are in place to meet our business needs. Recommendations for training are considered at meetings of the executive directors.

Quality Systems - the group is registered to ISO 9001 2008. The system is monitored by the quality assurance manager on a monthly basis. He reports to the managing director. The system is externally audited twice a year.

Supplier Performance - a monthly report is prepared by the QA manager which is used by the directors to compare the performance of suppliers and to monitor customer satisfaction.

The Environment - the group is setting energy use and packaging targets to be monitored in the future. Post year end we completed registration to ISO 14001.

**ON BEHALF OF THE BOARD:**



Mr K R Mellor - Secretary

24 June 2014

# **The Wakefield Shirt Company Limited and its subsidiary undertakings**

## **Report of the Directors for the year ended 31 December 2013**

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The directors present their report with the financial statements of the company and the group for the year ended 31 December 2013.

### **PRINCIPAL ACTIVITIES**

The principal activities of the group in the year under review were those of a holding company for its subsidiaries, to manage its property and to supply management services to the group.

The principal activity of the group continued to be that of garment manufacture, wholesale and retailing.

### **DIVIDENDS**

The total distribution of dividends for the year ended 31 December 2013 will be £69,857.

### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2013 to the date of this report.

Mr R J Donner  
Mr R John Donner

### **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The directors have considered the financial risk management objectives and policies appropriate to the company and such information is not material for the assessment of the assets, liabilities, financial position and profit or loss of the company.

### **EMPLOYMENT POLICIES**

#### **Employment involvement**

The company continued to encourage team work and communication between all of its employees in the management of the business during the year. Consultation continues to take place through management and employee committees at varying levels within the company, where a wide range of business and employment issues are discussed.

#### **Employment of disabled people**

The company recognises its legal, social and moral obligation to provide for the employment of disabled people.

The company aims to provide appropriate facilities for the disabled and to give full and fair consideration to applications for employment having regard to the particular aptitudes and abilities of the applicant.

#### **Equal opportunity policy**

It is the policy of The Wakefield Shirt Group of Companies to establish and maintain a working environment, terms and conditions of service and employment practices and procedures which will ensure that no job applicant or employee receives less favourable treatment on the grounds of gender (including sex, marriage and gender re-assignment), race (including ethnic origin, colour, nationality and national origin), religion or belief, disability, sexual orientation, responsibility for dependants, sexuality, trade union activity or age. Selection criteria and procedures will be kept under review to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities and to ensure there is no direct or indirect discrimination in recruitment and other employment decisions.

All employees will be given equality of opportunity within the company and will be encouraged to progress within the organisation.

The company is committed to a programme of action to make this policy fully effective.

# **The Wakefield Shirt Company Limited and its subsidiary undertakings**

## **Report of the Directors for the year ended 31 December 2013**

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### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 the group and of the profit or loss of the group 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;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director 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 group's auditors are aware of that information.

### **AUDITORS**

The auditors, Jolliffe Cork LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

### **ON BEHALF OF THE BOARD:**



Mr K R Mellor - Secretary

24 June 2014

## **Report of the Independent Auditors to the Members of The Wakefield Shirt Company Limited and its subsidiary undertakings**

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We have audited the financial statements of The Wakefield Shirt Company Limited and its subsidiary undertakings for the year ended 31 December 2013 on pages eight to twenty nine. 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).

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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page five, 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**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2013 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.



**Report of the Independent Auditors to the Members of  
The Wakefield Shirt Company Limited and  
its subsidiary undertakings**

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**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.

Adam Perkin (Senior Statutory Auditor)  
for and on behalf of Jolliffe Cork LLP  
Chartered Accountants & Statutory Auditor  
33 George Street  
Wakefield  
West Yorkshire  
WF1 1LX

24 June 2014

**The Wakefield Shirt Company Limited and  
its subsidiary undertakings**

**Consolidated Profit and Loss Account  
for the year ended 31 December 2013**

	Notes	2013 £	2012 £
<b>TURNOVER</b>	2	<b>17,559,602</b>	<b>16,636,174</b>
Cost of sales		<u>11,833,866</u>	<u>10,949,977</u>
<b>GROSS PROFIT</b>		<b>5,725,736</b>	<b>5,686,197</b>
Distribution costs		1,312,914	1,299,713
Administrative expenses		<u>4,408,186</u>	<u>4,206,278</u>
		<b>5,721,100</b>	<b>5,505,991</b>
		4,636	180,206
Other operating income		<u>331,296</u>	<u>310,141</u>
<b>OPERATING PROFIT</b>	4	<b>335,932</b>	<b>490,347</b>
Cost of fundamental reorg	5	<u>42,040</u>	<u>25,556</u>
		<b>293,892</b>	<b>464,791</b>
Income from interest in associated undertakings		2,354	4,362
Interest receivable and similar income		<u>13,391</u>	<u>13,319</u>
		<b>15,745</b>	<b>17,681</b>
		<b>309,637</b>	<b>482,472</b>
Interest payable and similar charges	6	146,691	137,009
Other finance costs	22	<u>9,000</u>	<u>72,000</u>
		<b>155,691</b>	<b>209,009</b>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>153,946</b>	<b>273,463</b>
Tax on profit on ordinary activities	7	<u>35,520</u>	<u>18,149</u>
<b>PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP</b>		<b><u>118,426</u></b>	<b><u>255,314</u></b>

**CONTINUING OPERATIONS**

None of the group's activities were acquired or discontinued during the current year or previous year.

The notes form part of these financial statements

**The Wakefield Shirt Company Limited and  
its subsidiary undertakings**

**Consolidated Statement of Total Recognised Gains and Losses  
for the year ended 31 December 2013**

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	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<b>118,426</b>	<b>255,314</b>
Actuarial gain/(loss)	<b>136,000</b>	<b>(149,000)</b>
Related deferred tax (liability)/asset	<b><u>(32,640)</u></b>	<b><u>35,760</u></b>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>	<b><u>221,786</u></b>	<b><u>142,074</u></b>

The notes form part of these financial statements

**The Wakefield Shirt Company Limited and  
its subsidiary undertakings (Registered number: 00361629)**

**Consolidated Balance Sheet  
31 December 2013**

		2013		2012	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	10		5,696,477		5,795,170
Investments	11				
Interest in associate			-		54,648
			5,696,477		5,849,818
<b>CURRENT ASSETS</b>					
Stocks	12	6,257,479		6,513,056	
Debtors	13	4,464,841		4,123,174	
Cash at bank		375,120		152,969	
		11,097,440		10,789,199	
<b>CREDITORS</b>					
Amounts falling due within one year	14	6,157,875		5,986,168	
<b>NET CURRENT ASSETS</b>			4,939,565		4,803,031
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			10,636,042		10,652,849
<b>CREDITORS</b>					
Amounts falling due after more than one year	15		(1,720,708)		(1,671,848)
<b>PROVISIONS FOR LIABILITIES</b>	19		-		(1,756)
<b>PENSION LIABILITY</b>	22		(461,280)		(677,120)
<b>NET ASSETS</b>			8,454,054		8,302,125

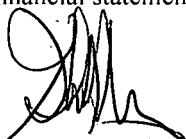
The notes form part of these financial statements

**The Wakefield Shirt Company Limited and  
its subsidiary undertakings (Registered number: 00361629)**

**Consolidated Balance Sheet - continued  
31 December 2013**

	Notes	2013 £	2012 £
<b>CAPITAL AND RESERVES</b>			
Called up share capital	20	1,174,504	1,174,504
Revaluation reserve	21	4,351,082	4,351,082
Capital redemption reserve	21	5,646	5,646
Other reserves	21	388,631	388,631
Profit and loss account	21	<u>2,534,191</u>	<u>2,382,262</u>
<b>SHAREHOLDERS' FUNDS</b>	26	<u><u>8,454,054</u></u>	<u><u>8,302,125</u></u>

The financial statements were approved by the Board of Directors on 24 June 2014 and were signed on its behalf by:



Mr R J Donner - Director



Mr R John Donner - Director


The notes form part of these financial statements


**The Wakefield Shirt Company Limited and  
its subsidiary undertakings (Registered number: 00361629)**

**Company Balance Sheet  
31 December 2013**

	Notes	2013 £	2012 £
<b>FIXED ASSETS</b>			
Tangible assets	10	5,485,266	5,494,530
Investments	11	<u>4,119,645</u>	<u>4,130,072</u>
		9,604,911	9,624,602
<b>CURRENT ASSETS</b>			
Debtors	13	284,242	309,299
<b>CREDITORS</b>			
Amounts falling due within one year	14	<u>386,856</u>	<u>207,187</u>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<u>(102,614)</u>	<u>102,112</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		9,502,297	9,726,714
<b>CREDITORS</b>			
Amounts falling due after more than one year	15	(1,586,884)	(1,671,848)
<b>PENSION LIABILITY</b>	22	<u>(461,280)</u>	<u>(677,120)</u>
<b>NET ASSETS</b>		<u>7,454,133</u>	<u>7,377,746</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	20	1,174,504	1,174,504
Revaluation reserve	21	4,351,082	4,351,082
Capital redemption reserve	21	5,646	5,646
Profit and loss account	21	<u>1,922,901</u>	<u>1,846,514</u>
<b>SHAREHOLDERS' FUNDS</b>	26	<u>7,454,133</u>	<u>7,377,746</u>

The financial statements were approved by the Board of Directors on 24 June 2014 and were signed on its behalf by:

  
Mr R J Donner - Director

  
Mr R John Donner - Director

The notes form part of these financial statements

**The Wakefield Shirt Company Limited and  
its subsidiary undertakings**

**Consolidated Cash Flow Statement  
for the year ended 31 December 2013**

	Notes	2013 £	2012 £
Net cash (outflow)/inflow from operating activities	1	(23,257)	51,378
Returns on investments and servicing of finance	2	(130,946)	(119,328)
Capital expenditure and financial investment	2	29,399	41,941
Equity dividends paid		<u>(69,857)</u>	<u>(69,857)</u>
		(194,661)	(95,866)
Financing	2	<u>210,839</u>	<u>22,990</u>
Increase in cash in the period		<u>16,178</u>	<u>(72,876)</u>
Reconciliation of net cash flow to movement in net debt	3		
Increase in cash in the period		16,178	(72,876)
Cash inflow from increase in debt		<u>(210,839)</u>	<u>77,010</u>
Change in net debt resulting from cash flows		<u>(194,661)</u>	<u>4,134</u>
Movement in net debt in the period		(194,661)	4,134
Net debt at 1 January		<u>(4,420,398)</u>	<u>(4,424,532)</u>
Net debt at 31 December		<u>(4,615,059)</u>	<u>(4,420,398)</u>

The notes form part of these financial statements

**The Wakefield Shirt Company Limited and  
its subsidiary undertakings**

**Notes to the Consolidated Cash Flow Statement  
for the year ended 31 December 2013**

**1. RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM  
OPERATING ACTIVITIES**

	2013	2012
	£	£
Operating profit	335,932	490,347
Depreciation charges	121,588	129,127
Loss on disposal of fixed assets	2,354	4,292
Cost of reorganisation	(42,040)	(25,556)
Decrease/(increase) in stocks	255,577	(413,705)
(Increase)/decrease in debtors	(341,667)	385,191
Decrease in creditors	(198,001)	(360,318)
Difference between pension charge and cash contributions	(157,000)	(158,000)
<b>Net cash (outflow)/inflow from operating activities</b>	<b><u>(23,257)</u></b>	<b><u>51,378</u></b>

**2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	2013	2012
	£	£
<b>Returns on investments and servicing of finance</b>		
Interest received	13,391	13,319
Interest paid	(146,691)	(137,009)
Dividends received	<u>2,354</u>	<u>4,362</u>
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b><u>(130,946)</u></b>	<b><u>(119,328)</u></b>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(22,895)	(73,789)
Purchase of fixed asset investments	(2,354)	(4,362)
Sale of fixed asset investments	<u>54,648</u>	<u>120,092</u>
<b>Net cash inflow for capital expenditure and financial investment</b>	<b><u>29,399</u></b>	<b><u>41,941</u></b>
<b>Financing</b>		
New loans in year	500,000	-
Loan repayments in year	(189,161)	(77,010)
Amount introduced by directors	-	100,000
Amount withdrawn by directors	<u>(100,000)</u>	<u>-</u>
<b>Net cash inflow from financing</b>	<b><u>210,839</u></b>	<b><u>22,990</u></b>

The notes form part of these financial statements



**The Wakefield Shirt Company Limited and  
its subsidiary undertakings**

**Notes to the Consolidated Cash Flow Statement  
for the year ended 31 December 2013**

**3. ANALYSIS OF CHANGES IN NET DEBT**

	At 1.1.13 £	Cash flow £	At 31.12.13 £
Net cash:			
Cash at bank	152,969	222,151	375,120
Bank overdraft	<u>(1,669,960)</u>	<u>(205,973)</u>	<u>(1,875,933)</u>
	<u>(1,516,991)</u>	<u>16,178</u>	<u>(1,500,813)</u>
Debt:			
Debts falling due within one year	(1,231,559)	(161,979)	(1,393,538)
Debts falling due after one year	<u>(1,671,848)</u>	<u>(48,860)</u>	<u>(1,720,708)</u>
	<u>(2,903,407)</u>	<u>(210,839)</u>	<u>(3,114,246)</u>
Total	<u>(4,420,398)</u>	<u>(194,661)</u>	<u>(4,615,059)</u>

The notes form part of these financial statements

# **The Wakefield Shirt Company Limited and its subsidiary undertakings**

## **Notes to the Consolidated Financial Statements for the year ended 31 December 2013**

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### **1. ACCOUNTING POLICIES**

#### **Accounting convention**

The financial statements have been prepared under the historical cost convention.

#### **Turnover**

Turnover represents net invoiced sales of goods, excluding value added tax.

#### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery                      -    25% on cost, 20% on cost and 10% on cost

Fixtures and fittings                      -    20% on cost and 10% on cost

Motor vehicles                              -    25% on cost

Fixed assets are initially recorded at cost.

#### **Stocks**

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

#### **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

#### **Pension costs and other post-retirement benefits**

The group operates a defined benefit pension scheme for employees. The assets of the scheme are held separately from those of the group.

Pension scheme liabilities are measured on an actuarial basis using a projected unit method and are discounted to their present value using 4.10% discount rate.

Pension scheme assets are valued at market value at the balance sheet date.

The pension scheme deficit is recognised in full on the balance sheet.

The deferred tax relating to a defined benefit asset/liability is offset against the defined benefit asset/liability and not included in the other deferred tax assets or liabilities.

**The Wakefield Shirt Company Limited and  
its subsidiary undertakings**

**Notes to the Consolidated Financial Statements - continued  
for the year ended 31 December 2013**

**2. TURNOVER**

The turnover and profit before taxation are attributable to the principal activities of the group.

An analysis of turnover by geographical market is given below:

	2013 £	2012 £
United Kingdom	11,774,658	11,628,596
Other	5,784,944	5,007,578
	<u>17,559,602</u>	<u>16,636,174</u>

**3. STAFF COSTS**

The aggregate payroll costs of the staff were:

	2013 £	2012 £
Wages and salaries	3,288,831	3,189,311
Social security costs	226,843	218,596
Pension costs	56,933	59,633
	<u>3,572,607</u>	<u>3,467,540</u>

The average number of staff employed by the group during the year were:

	2013	2012
Number of production staff	20	20
Number of administrative staff	121	119
	<u>141</u>	<u>139</u>

**4. OPERATING PROFIT**

The operating profit is stated after charging:

	2013 £	2012 £
Depreciation - owned assets	121,588	129,127
Loss on disposal of fixed assets	2,354	4,292
Auditors' remuneration – fees payable to the company's auditor for the audit of the financial statements	25,500	26,800
Rentals payable under operating leases	<u>610,349</u>	<u>571,341</u>
Directors' remuneration	<u>67,320</u>	<u>60,000</u>

**The Wakefield Shirt Company Limited and  
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**Notes to the Consolidated Financial Statements - continued  
for the year ended 31 December 2013**

**4. OPERATING PROFIT - continued**

In addition to remuneration for the audit, the auditors have also levied the following fees:

	2013	2012
	£	£
Tax advisory services	<u>3,900</u>	<u>3,900</u>
	<u>3,900</u>	<u>3,900</u>

Directors' emoluments:	2013	2012
	£	£
Emoluments receivable	67,320	60,000
Pension contributions	4,815	4,815
Healthcare	<u>612</u>	<u>476</u>
	<u>72,747</u>	<u>65,291</u>

**5. COST OF REORGANISATION**

	2013	2012
	£	£
Site costs	<u>42,040</u>	<u>25,556</u>
	<u>42,040</u>	<u>25,556</u>

**6. INTEREST PAYABLE AND SIMILAR CHARGES**

	2013	2012
	£	£
Bank interest	<u>146,691</u>	<u>137,009</u>

**7. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	2013	2012
	£	£
Deferred tax:		
Deferred tax	-	(2,491)
Deferred tax on pension liability	<u>35,520</u>	<u>20,640</u>
Total deferred tax	<u>35,520</u>	<u>18,149</u>
Tax on profit on ordinary activities	<u>35,520</u>	<u>18,149</u>

**The Wakefield Shirt Company Limited and  
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**Notes to the Consolidated Financial Statements - continued  
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**8. PROFIT OF PARENT COMPANY**

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £42,884 (2012 - £50,932).

**9. DIVIDENDS**

	2013 £	2012 £
A Preference shares of £1 each Final	3,825	3,825
C Preference shares of £1 each Final	<u>66,032</u>	<u>66,032</u>
	<u><u>69,857</u></u>	<u><u>69,857</u></u>

**10. TANGIBLE FIXED ASSETS**

**Group**

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>					
At 1 January 2013	5,485,000	7,703,488	46,910	167,142	13,402,540
Additions	<u>-</u>	<u>22,895</u>	<u>-</u>	<u>-</u>	<u>22,895</u>
At 31 December 2013	<u><u>5,485,000</u></u>	<u><u>7,726,383</u></u>	<u><u>46,910</u></u>	<u><u>167,142</u></u>	<u><u>13,425,435</u></u>
<b>DEPRECIATION</b>					
At 1 January 2013	-	7,417,944	37,382	152,044	7,607,370
Charge for year	<u>-</u>	<u>104,496</u>	<u>9,264</u>	<u>7,828</u>	<u>121,588</u>
At 31 December 2013	<u>-</u>	<u><u>7,522,440</u></u>	<u><u>46,646</u></u>	<u><u>159,872</u></u>	<u><u>7,728,958</u></u>
<b>NET BOOK VALUE</b>					
At 31 December 2013	<u><u>5,485,000</u></u>	<u><u>203,943</u></u>	<u><u>264</u></u>	<u><u>7,270</u></u>	<u><u>5,696,477</u></u>
At 31 December 2012	<u><u>5,485,000</u></u>	<u><u>285,544</u></u>	<u><u>9,528</u></u>	<u><u>15,098</u></u>	<u><u>5,795,170</u></u>

The freehold properties were revalued on 3 November 2010 by DTZ on the basis of the market value of the existing tenancies.

**The Wakefield Shirt Company Limited and  
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**Notes to the Consolidated Financial Statements - continued  
for the year ended 31 December 2013**

**10. TANGIBLE FIXED ASSETS - continued**

**Company**

	<b>Freehold property £</b>	<b>Fixtures and fittings £</b>	<b>Totals £</b>
<b>COST</b>			
At 1 January 2013			
and 31 December 2013	<u>5,485,000</u>	<u>67,946</u>	<u>5,552,946</u>
<b>DEPRECIATION</b>			
At 1 January 2013	-	58,416	58,416
Charge for year	<u>-</u>	<u>9,264</u>	<u>9,264</u>
At 31 December 2013	<u>-</u>	<u>67,680</u>	<u>67,680</u>
<b>NET BOOK VALUE</b>			
At 31 December 2013	<u>5,485,000</u>	<u>266</u>	<u>5,485,266</u>
At 31 December 2012	<u>5,485,000</u>	<u>9,530</u>	<u>5,494,530</u>

The freehold properties were revalued on 3 November 2010 by DTZ on the basis of the market value of the existing tenancies.

**11. FIXED ASSET INVESTMENTS**

**Group**

	<b>Interest in associate £</b>
<b>COST</b>	
At 1 January 2013	54,648
Additions	2,354
Disposals	<u>(57,002)</u>
At 31 December 2013	<u>-</u>
<b>NET BOOK VALUE</b>	
At 31 December 2013	<u>-</u>
At 31 December 2012	<u>54,648</u>

**The Wakefield Shirt Company Limited and  
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**Notes to the Consolidated Financial Statements - continued  
for the year ended 31 December 2013**

**11. FIXED ASSET INVESTMENTS - continued**

**Company**

	Shares in group undertakings £	Interest in associate £	Totals £
<b>COST</b>			
At 1 January 2013	4,119,645	10,427	4,130,072
Disposals	-	(10,427)	(10,427)
At 31 December 2013	<u>4,119,645</u>	<u>-</u>	<u>4,119,645</u>
<b>NET BOOK VALUE</b>			
At 31 December 2013	<u>4,119,645</u>	<u>-</u>	<u>4,119,645</u>
At 31 December 2012	<u>4,119,645</u>	<u>10,427</u>	<u>4,130,072</u>

**12. STOCKS**

	<b>Group</b>	
	2013 £	2012 £
Raw materials	2,351,121	2,360,425
Work-in-progress	5,181	7,181
Finished goods	<u>3,901,177</u>	<u>4,145,450</u>
	<u>6,257,479</u>	<u>6,513,056</u>

**13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	2013 £	2012 £	2013 £	2012 £
Trade debtors	2,263,860	1,968,042	-	-
Amounts owed by group undertakings	-	-	-	40,762
Other debtors	767,592	694,483	166,184	128,075
Prepayments and accrued income	<u>1,433,389</u>	<u>1,460,649</u>	<u>118,058</u>	<u>140,462</u>
	<u>4,464,841</u>	<u>4,123,174</u>	<u>284,242</u>	<u>309,299</u>

**The Wakefield Shirt Company Limited and  
its subsidiary undertakings**

**Notes to the Consolidated Financial Statements - continued  
for the year ended 31 December 2013**

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans and overdrafts (see note 16)	2,229,212	1,746,210	107,463	95,204
Other loans (see note 16)	1,040,259	1,155,309	-	-
Trade creditors	1,840,023	1,902,017	-	-
Amounts owed to group undertakings	624,220	624,543	198,297	-
Social security and other taxes	60,773	59,279	-	-
VAT	14,282	17,860	14,282	17,860
Other creditors	203,731	216,225	-	-
Directors' current accounts	-	100,000	-	-
Accruals and deferred income	145,375	164,725	66,814	94,123
	<u>6,157,875</u>	<u>5,986,168</u>	<u>386,856</u>	<u>207,187</u>

**15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE  
YEAR**

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans (see note 16)	<u>1,720,708</u>	<u>1,671,848</u>	<u>1,586,884</u>	<u>1,671,848</u>



**The Wakefield Shirt Company Limited and  
its subsidiary undertakings**

**Notes to the Consolidated Financial Statements - continued  
for the year ended 31 December 2013**

**16. LOANS**

An analysis of the maturity of loans is given below:

	<b>Group</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Amounts falling due within one year or on demand:				
Bank overdrafts	<b>1,875,933</b>	1,669,960	<b>31,213</b>	18,954
Bank loans	<b>353,279</b>	76,250	<b>76,250</b>	76,250
Other loans	<b>1,040,259</b>	1,155,309	-	-
	<b><u>3,269,471</u></b>	<b><u>2,901,519</u></b>	<b><u>107,463</u></b>	<b><u>95,204</u></b>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	<b><u>133,824</u></b>	-	-	-
Amounts falling due between two and five years:				
Bank loans - 2-5 years	<b><u>305,000</u></b>	<b><u>305,000</u></b>	<b><u>305,000</u></b>	<b><u>305,000</u></b>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans more 5 yr by instalments	<b><u>1,281,884</u></b>	<b><u>1,366,848</u></b>	<b><u>1,281,884</u></b>	<b><u>1,366,848</u></b>

**17. OPERATING LEASE COMMITMENTS**

The following operating lease payments are committed to be paid within one year:

**Group**

	<b>Land and buildings</b>	
	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Expiring:		
Within one year	<b>20,000</b>	184,215
Between one and five years	<b>398,483</b>	324,743
In more than five years	<b><u>43,920</u></b>	<b><u>43,920</u></b>
	<b><u>462,403</u></b>	<b><u>552,878</u></b>

**The Wakefield Shirt Company Limited and  
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**Notes to the Consolidated Financial Statements - continued  
for the year ended 31 December 2013**

**18. SECURED DEBTS**

The following secured debts are included within creditors:

	<b>Group</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank overdrafts	1,875,933	1,669,960	31,213	18,954
Bank loans	2,073,987	1,748,098	1,663,134	1,748,098
Invoice financing	1,040,259	1,155,309	-	-
	<u>4,990,179</u>	<u>4,573,367</u>	<u>1,694,347</u>	<u>1,767,052</u>

The bank overdraft is secured by way of a debenture dated 11 October 2006 which provides a fixed and floating charge over the assets of the company.

**19. PROVISIONS FOR LIABILITIES**

	<b>Group</b>	
	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Deferred tax	-	1,756
<b>Group</b>		
		<b>Deferred tax</b>
		<b>£</b>
Balance at 1 January 2013		1,756
Accelerated capital allowances		(1,756)
Balance at 31 December 2013		-

**20. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			<b>2013</b>	<b>2012</b>
Number:	Class:	Nominal value:	<b>£</b>	<b>£</b>
35,000	A Preference	£1	35,000	35,000
10,000	B Preference	£1	10,000	10,000
1,125,000	C Preference	£1	1,125,000	1,125,000
4,504	Ordinary	£1	4,504	4,504
			<u>1,174,504</u>	<u>1,174,504</u>

**The Wakefield Shirt Company Limited and  
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**Notes to the Consolidated Financial Statements - continued  
for the year ended 31 December 2013**

**21. RESERVES**

**Group**

	Profit and loss account £	Revaluation reserve £	Capital redemption reserve £	Other reserves £	Totals £
At 1 January 2013	2,382,262	4,351,082	5,646	388,631	7,127,621
Profit for the year	118,426				118,426
Dividends	(69,857)				(69,857)
Actuarial gain on defined benefit	136,000	-	-	-	136,000
Deferred tax on actuarial gain	(32,640)	-	-	-	(32,640)
At 31 December 2013	<u>2,534,191</u>	<u>4,351,082</u>	<u>5,646</u>	<u>388,631</u>	<u>7,279,550</u>
Profit and loss account excluding pension liability	2,995,471				
Pension deficit	<u>(461,280)</u>				
Profit and loss account	<u>2,534,191</u>				

**Company**

	Profit and loss account £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 January 2013	1,846,514	4,351,082	5,646	6,203,242
Profit for the year	42,884			42,884
Dividends	(69,857)			(69,857)
Actuarial gain on defined benefit	136,000	-	-	136,000
Deferred tax on actuarial gain	(32,640)	-	-	(32,640)
At 31 December 2013	<u>1,922,901</u>	<u>4,351,082</u>	<u>5,646</u>	<u>6,279,629</u>
Profit and loss account excluding pension liability	2,384,181			
Pension deficit	<u>(461,280)</u>			
Profit and loss account	<u>1,922,901</u>			

**The Wakefield Shirt Company Limited and  
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**Notes to the Consolidated Financial Statements - continued  
for the year ended 31 December 2013**

**22. EMPLOYEE BENEFIT OBLIGATIONS**

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2013 £	2012 £
Present value of funded obligations	(6,679,000)	(6,371,000)
Fair value of plan assets	<u>6,041,000</u>	<u>5,449,000</u>
	(638,000)	(922,000)
Present value of unfunded obligations	-	-
Deficit	(638,000)	(922,000)
Deferred tax asset	<u>176,720</u>	<u>244,880</u>
Net liability	<u>(461,280)</u>	<u>(677,120)</u>

The amounts recognised in profit or loss are as follows:

	Defined benefit pension plans	
	2013 £	2012 £
Current service cost	35,000	34,000
Interest cost	258,000	268,000
Expected return	(249,000)	(196,000)
Past service cost	-	-
	<u>44,000</u>	<u>106,000</u>
Actual return on plan assets	<u>534,000</u>	<u>418,000</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2013 £	2012 £
Opening defined benefit obligation	6,371,000	5,683,000
Current service cost	35,000	34,000
Contributions by scheme participants	29,000	32,000
Interest cost	258,000	268,000
Actuarial losses/(gains)	149,000	371,000
Benefits paid	<u>(163,000)</u>	<u>(17,000)</u>
	<u>6,679,000</u>	<u>6,371,000</u>

**The Wakefield Shirt Company Limited and  
its subsidiary undertakings**

**Notes to the Consolidated Financial Statements - continued  
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**22. EMPLOYEE BENEFIT OBLIGATIONS - continued**

Changes in the fair value of scheme assets are as follows:

	<b>Defined benefit pension plans</b>	
	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Opening fair value of scheme assets	5,449,000	4,824,000
Contributions by employer	192,000	192,000
Contributions by scheme participants	29,000	32,000
Expected return	249,000	196,000
Actuarial gains/(losses)	285,000	222,000
Benefits paid	(163,000)	(17,000)
	<u>6,041,000</u>	<u>5,449,000</u>

The amounts recognised in the statement of recognised gains and losses are as follows:

	<b>Defined benefit pension plans</b>	
	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Actuarial gains/(losses)	<u>136,000</u>	<u>(149,000)</u>
	<u>136,000</u>	<u>(149,000)</u>
Cumulative amount of actuarial gains/(losses)	<u>136,000</u>	<u>(149,000)</u>

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	<b>Defined benefit pension plans</b>	
	<b>2013</b>	<b>2012</b>
Equities	50%	44%
Bonds	21%	23%
Property	9%	11%
Other	<u>20%</u>	<u>22%</u>
	<u>100%</u>	<u>100%</u>

**The Wakefield Shirt Company Limited and  
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**Notes to the Consolidated Financial Statements - continued  
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**22. EMPLOYEE BENEFIT OBLIGATIONS - continued**

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2013	2012
Discount rate	4.42%	4.10%
Expected return on scheme assets	4.57%	4.35%
Future pension increases	3.25%	2.40%
Life expectancy of male aged 65 at balance sheet date	23.40%	23.40%
Life expectancy of female aged 65 at balance sheet date	25.50%	25.40%

Amounts for the current and previous four periods are as follows:

	2013	2012	2011	2010	2009 as restated
	£	£	£	£	£
<b>Defined benefit pension plans</b>					
Defined benefit obligation	(6,679,000)	(6,371,000)	(5,683,000)	(4,993,000)	(4,509,000)
Fair value of scheme assets	6,041,000	5,449,000	4,824,000	4,672,000	4,056,000
Deficit	(638,000)	(922,000)	(859,000)	(321,000)	(453,000)

**23. CONTINGENT LIABILITIES**

The company has given a guarantee dated 5th March 1996 to H M Revenue and Customs for £100,000 with recourse.

Under group banking arrangements the company is a party to an unlimited, multilateral guarantee and debentures given to Yorkshire Bank Plc on 11th October 2006 by the following group companies: Double Two Limited, Threadneedle Company Image Limited and The Wakefield Shirt Company Limited. At 31st December 2013 the borrowings guaranteed amounted to £4,639,017 (2012: £4,565,206).

**24. OTHER FINANCIAL COMMITMENTS**

At 31st December 2013 there were financial commitments in respect of irrevocable documentary credits and acceptances of £521,563 (2012: £280,415).

**25. RELATED PARTY DISCLOSURES**

The company was under the control of the directors throughout the current and previous year.

The Wakefield Shirt Company Limited had a 2.979% interest in Leading Labels Limited, a company registered in England and Wales, and this investment was sold on 13 May 2013. Leading Labels Limited was a related party during the year through common directors. The company has, in the normal course of business, supplied management services to Leading Labels Limited. Operating service charges amounted to £10,000.

**The Wakefield Shirt Company Limited and  
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**Notes to the Consolidated Financial Statements - continued  
for the year ended 31 December 2013**

**26. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

**Group**

	2013 £	2012 £
Profit for the financial year	118,426	255,314
Dividends	(69,857)	(69,857)
	48,569	185,457
Other recognised gains and losses relating to the year (net)	103,360	(113,240)
<b>Net addition to shareholders' funds</b>	<b>151,929</b>	<b>72,217</b>
Opening shareholders' funds	8,302,125	8,229,908
<b>Closing shareholders' funds</b>	<b>8,454,054</b>	<b>8,302,125</b>

**Company**

	2013 £	2012 £
Profit for the financial year	42,884	50,932
Dividends	(69,857)	(69,857)
	(26,973)	(18,925)
Other recognised gains and losses relating to the year (net)	103,360	(113,240)
<b>Net addition/(reduction) to shareholders' funds</b>	<b>76,387</b>	<b>(132,165)</b>
Opening shareholders' funds	7,377,746	7,509,911
<b>Closing shareholders' funds</b>	<b>7,454,133</b>	<b>7,377,746</b>