

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

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

Year Ended 31 December 2014

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

The Wakefield Shirt Company Limited and its subsidiary undertakings

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The Wakefield Shirt Company Limited and its subsidiary undertakings

Company Information for the year ended 31 December 2014

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:

HSBC Bank plc
PO Box 33 66 Westgate
Wakefield
West Yorkshire
WF1 1XB

The Wakefield Shirt Company Limited and its subsidiary undertakings

Group Strategic Report for the year ended 31 December 2014

The directors present their strategic report of the company and the group for the year ended 31 December 2014.

REVIEW OF BUSINESS

The results of 2014 were similar to those of 2013 and the directors are satisfied with the results for the year.

Group sales increased during the year due to a significant increase in sales to Double Two's largest customer. Wholesale sales of Double Two branded product were down slightly in the year. Sales in Double Two retail were flat for the year. Double Two gross margins decreased slightly due to a change in the mix of sales. Sales in the career and work wear division decreased as a large uniform roll out in 2013 did not repeat in 2014 but tight control of overheads reduced the impact on profitability in the division. Increased rental income and a decrease in financing costs helped to improve group profitability.

Profits were slightly higher at the operating level despite lower margins and reduced career and work wear business due to tight control of overheads.

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

2015 has started better than in 2014 and there is a strong forward order book for the year in all divisions. 2015 should see a slight increase in turnover as career and work wear recovers from the low of 2014.

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 2014

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 now registered to ISO 14001. The system is monitored by the quality assurance manager on a monthly basis against targets set for energy use, reduction in packaging and to ensure that there have been no breaches of procedure. He reports to the managing director. The system is externally audited twice a year.

ON BEHALF OF THE BOARD:



Mr R John Donner - Director

21 May 2015

The Wakefield Shirt Company Limited and its subsidiary undertakings

Report of the Directors for the year ended 31 December 2014

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2014.

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 2014 will be £69,857.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2014 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 2014

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

21 May 2015

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

We have audited the financial statements of The Wakefield Shirt Company Limited and its subsidiary undertakings for the year ended 31 December 2014 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 2014 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

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

21 May 2015

The Wakefield Shirt Company Limited and its subsidiary undertakings

Consolidated Profit and Loss Account for the year ended 31 December 2014

	Notes	2014 £	2013 £
TURNOVER	2	18,940,143	17,559,602
Cost of sales		<u>13,112,985</u>	<u>11,833,866</u>
GROSS PROFIT		5,827,158	5,725,736
Distribution costs		1,404,379	1,319,034
Administrative expenses		<u>4,380,404</u>	<u>4,402,591</u>
		5,784,783	5,721,625
		42,375	4,111
Other operating income		<u>399,732</u>	<u>331,821</u>
OPERATING PROFIT	4	442,107	335,932
Cost of fundamental reorg	5	<u>66,546</u>	<u>42,040</u>
		375,561	293,892
Income from interest in associated undertakings		-	2,354
Interest receivable and similar income		-	13,391
Other finance income	21	<u>24,000</u>	<u>-</u>
		24,000	15,745
		399,561	309,637
Interest payable and similar charges	6	113,472	146,691
Other finance costs	21	<u>-</u>	<u>9,000</u>
		113,472	155,691
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		286,089	153,946
Tax on profit on ordinary activities	7	<u>44,400</u>	<u>35,520</u>
PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP		<u>241,689</u>	<u>118,426</u>

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 2014**

	2014 £	2013 £
PROFIT FOR THE FINANCIAL YEAR	241,689	118,426
Unrealised surplus on revaluation of properties	415,000	-
Actuarial gain/(loss)	(873,000)	136,000
Related deferred tax (liability)/asset	<u>209,520</u>	<u>(32,640)</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>(6,791)</u>	<u>221,786</u>

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 2014

		2014		2013	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	10		6,035,590		5,696,477
Investments	11		-		-
			<u>6,035,590</u>		<u>5,696,477</u>
CURRENT ASSETS					
Stocks	12	7,031,462		6,257,479	
Debtors	13	3,752,713		3,899,321	
Cash at bank		<u>464,655</u>		<u>375,120</u>	
		11,248,830		10,531,920	
CREDITORS					
Amounts falling due within one year	14	<u>5,922,854</u>		<u>5,592,355</u>	
NET CURRENT ASSETS			<u>5,325,976</u>		<u>4,939,565</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			11,361,566		10,636,042
CREDITORS					
Amounts falling due after more than one year	15		(2,000,000)		(1,720,708)
PENSION LIABILITY	21		<u>(984,160)</u>		<u>(461,280)</u>
NET ASSETS			<u><u>8,377,406</u></u>		<u><u>8,454,054</u></u>


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 2014

		2014		2013	
	Notes	£	£	£	£
CAPITAL AND RESERVES					
Called up share capital	19		1,174,504		1,174,504
Revaluation reserve	20		4,766,082		4,351,082
Capital redemption reserve	20		5,646		5,646
Other reserves	20		388,631		388,631
Profit and loss account	20		<u>2,042,543</u>		<u>2,534,191</u>
SHAREHOLDERS' FUNDS	25		<u><u>8,377,406</u></u>		<u><u>8,454,054</u></u>

The financial statements were approved by the Board of Directors on 21 May 2015 and were signed on its behalf by:


 Mr R J Donner - Director


 Mr R John Donner - Director

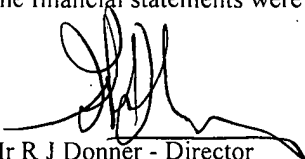
The notes form part of these financial statements


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

Company Balance Sheet
31 December 2014

	Notes	2014 £	2013 £
FIXED ASSETS			
Tangible assets	10	5,900,199	5,485,266
Investments	11	<u>4,119,645</u>	<u>4,119,645</u>
		10,019,844	9,604,911
CURRENT ASSETS			
Debtors	13	338,969	284,242
CREDITORS			
Amounts falling due within one year	14	<u>274,069</u>	<u>386,856</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>64,900</u>	<u>(102,614)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		10,084,744	9,502,297
CREDITORS			
Amounts falling due after more than one year	15	(2,000,000)	(1,586,884)
PENSION LIABILITY	21	<u>(984,160)</u>	<u>(461,280)</u>
NET ASSETS		<u>7,100,584</u>	<u>7,454,133</u>
CAPITAL AND RESERVES			
Called up share capital	19	1,174,504	1,174,504
Revaluation reserve	20	4,766,082	4,351,082
Capital redemption reserve	20	5,646	5,646
Profit and loss account	20	<u>1,154,352</u>	<u>1,922,901</u>
SHAREHOLDERS' FUNDS	25	<u>7,100,584</u>	<u>7,454,133</u>

The financial statements were approved by the Board of Directors on 21 May 2015 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 2014**

		2014	2013
	Notes	£	£
Net cash inflow/(outflow) from operating activities	1	89,283	(23,257)
Returns on investments and servicing of finance	2	(113,472)	(130,946)
Capital expenditure and financial investment	2	-	29,399
Equity dividends paid		(69,857)	(69,857)
		(94,046)	(194,661)
Financing	2	(37,224)	210,839
(Decrease)/increase in cash in the period		(131,270)	16,178
Reconciliation of net cash flow to movement in net debt	3		
(Decrease)/increase in cash in the period		(131,270)	16,178
Cash outflow/(inflow) from decrease/(increase) in debt		37,224	(210,839)
Change in net debt resulting from cash flows		(94,046)	(194,661)
Movement in net debt in the period		(94,046)	(194,661)
Net debt at 1 January		(4,615,059)	(4,420,398)
Net debt at 31 December		(4,709,105)	(4,615,059)

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 2014**

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

	2014 £	2013 £
Operating profit	442,107	335,932
Depreciation charges	75,887	121,588
Loss on disposal of fixed assets	-	2,354
Cost of reorganisation	(66,546)	(42,040)
(Increase)/decrease in stocks	(773,983)	255,577
Decrease/(increase) in debtors	146,608	(341,667)
Increase/(decrease) in creditors	426,210	(198,001)
Difference between pension charge and cash contributions	(161,000)	(157,000)
Net cash inflow/(outflow) from operating activities	<u>89,283</u>	<u>(23,257)</u>

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

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	-	13,391
Interest paid	(113,472)	(146,691)
Dividends received	-	2,354
Net cash outflow for returns on investments and servicing of finance	<u>(113,472)</u>	<u>(130,946)</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	-	(22,895)
Purchase of fixed asset investments	-	(2,354)
Sale of fixed asset investments	-	54,648
Net cash inflow for capital expenditure and financial investment	<u>-</u>	<u>29,399</u>
Financing		
New loans in year	2,000,000	500,000
Loan repayments in year	(2,037,224)	(189,161)
Amount withdrawn by directors	-	(100,000)
Net cash (outflow)/inflow from financing	<u>(37,224)</u>	<u>210,839</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 2014**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.14 £	Cash flow £	At 31.12.14 £
Net cash:			
Cash at bank	375,120	89,535	464,655
Bank overdraft	<u>(1,875,933)</u>	<u>(220,805)</u>	<u>(2,096,738)</u>
	<u>(1,500,813)</u>	<u>(131,270)</u>	<u>(1,632,083)</u>
Debt:			
Debts falling due within one year	(1,393,538)	316,516	(1,077,022)
Debts falling due after one year	<u>(1,720,708)</u>	<u>(279,292)</u>	<u>(2,000,000)</u>
	<u>(3,114,246)</u>	<u>37,224</u>	<u>(3,077,022)</u>
Total	<u>(4,615,059)</u>	<u>(94,046)</u>	<u>(4,709,105)</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 2014

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

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 3.60% 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.

Other operating income

Other operating income represents rents receivable in the ordinary course of business.

The Wakefield Shirt Company Limited and its subsidiary undertakings

Notes to the Consolidated Financial Statements - continued for the year ended 31 December 2014

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:

	2014 £	2013 £
United Kingdom	10,621,536	11,774,658
Other	8,318,607	5,784,944
	<u>18,940,143</u>	<u>17,559,602</u>

3. STAFF COSTS

The aggregate payroll costs of the staff were:

	2014 £	2013 £
Wages and salaries	3,288,667	3,288,831
Social security costs	234,604	226,843
Pension costs	67,266	56,933
	<u>3,590,537</u>	<u>3,572,607</u>

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

	2014	2013
Number of production staff	20	20
Number of administrative staff	120	121
	<u>140</u>	<u>141</u>

4. OPERATING PROFIT

The operating profit is stated after charging:

	2014 £	2013 £
Depreciation - owned assets	75,887	121,588
Loss on disposal of fixed assets	-	2,354
Auditors' remuneration	28,100	25,500
Rentals payable under operating leases	<u>557,037</u>	<u>610,349</u>
Directors' remuneration	<u>67,000</u>	<u>61,200</u>

The Wakefield Shirt Company Limited and its subsidiary undertakings

Notes to the Consolidated Financial Statements - continued for the year ended 31 December 2014

4. OPERATING PROFIT - continued

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

	2014	2013
	£	£
Tax advisory services	<u>3,900</u>	<u>3,900</u>
	<u>3,900</u>	<u>3,900</u>

5. COST OF REORGANISATION

	2014	2013
	£	£
Site costs	<u>66,546</u>	<u>42,040</u>
	<u>66,546</u>	<u>42,040</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2014	2013
	£	£
Bank interest	<u>113,472</u>	<u>146,691</u>

7. TAXATION

Analysis of the tax charge

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

	2014	2013
	£	£
Deferred tax on pension liability	<u>44,400</u>	<u>35,520</u>
Tax on profit on ordinary activities	<u>44,400</u>	<u>35,520</u>

The Wakefield Shirt Company Limited and its subsidiary undertakings

Notes to the Consolidated Financial Statements - continued for the year ended 31 December 2014

8. LOSS 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 loss for the financial year was £(35,212) (2013 - £42,884 profit).

9. DIVIDENDS

	2014 £	2013 £
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>69,857</u>	<u>69,857</u>

10. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION					
At 1 January 2014	5,485,000	7,726,383	46,910	167,142	13,425,435
Revaluations	<u>415,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>415,000</u>
At 31 December 2014	<u>5,900,000</u>	<u>7,726,383</u>	<u>46,910</u>	<u>167,142</u>	<u>13,840,435</u>
DEPRECIATION					
At 1 January 2014	-	7,522,440	46,646	159,872	7,728,958
Charge for year	<u>-</u>	<u>73,946</u>	<u>67</u>	<u>1,874</u>	<u>75,887</u>
At 31 December 2014	<u>-</u>	<u>7,596,386</u>	<u>46,713</u>	<u>161,746</u>	<u>7,804,845</u>
NET BOOK VALUE					
At 31 December 2014	<u>5,900,000</u>	<u>129,997</u>	<u>197</u>	<u>5,396</u>	<u>6,035,590</u>
At 31 December 2013	<u>5,485,000</u>	<u>203,943</u>	<u>264</u>	<u>7,270</u>	<u>5,696,477</u>

The freehold properties were revalued on 25 September 2014 by Knight Frank on the basis of the market value of the existing tenancies.

The Wakefield Shirt Company Limited and its subsidiary undertakings

Notes to the Consolidated Financial Statements - continued for the year ended 31 December 2014

10. TANGIBLE FIXED ASSETS - continued

Company

	Freehold property £	Fixtures and fittings £	Totals £
COST OR VALUATION			
At 1 January 2014	5,485,000	67,946	5,552,946
Revaluations	<u>415,000</u>	<u>-</u>	<u>415,000</u>
At 31 December 2014	<u>5,900,000</u>	<u>67,946</u>	<u>5,967,946</u>
DEPRECIATION			
At 1 January 2014	-	67,680	67,680
Charge for year	<u>-</u>	<u>67</u>	<u>67</u>
At 31 December 2014	<u>-</u>	<u>67,747</u>	<u>67,747</u>
NET BOOK VALUE			
At 31 December 2014	<u>5,900,000</u>	<u>199</u>	<u>5,900,199</u>
At 31 December 2013	<u>5,485,000</u>	<u>266</u>	<u>5,485,266</u>

The freehold properties were revalued on 25 September 2014 by Knight Frank on the basis of the market value of the existing tenancies.

11. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 January 2014 and 31 December 2014	<u>4,119,645</u>
NET BOOK VALUE	
At 31 December 2014	<u>4,119,645</u>
At 31 December 2013	<u>4,119,645</u>

The Wakefield Shirt Company Limited and its subsidiary undertakings

Notes to the Consolidated Financial Statements - continued for the year ended 31 December 2014

11. FIXED ASSET INVESTMENTS - continued

At 31 December 2014, the company held shareholdings in the following subsidiaries, all of which are incorporated in England and Wales and whose principal activity is that of garment manufacture, wholesale and retailing.

	Percentage of issued ordinary shares
Double Two Limited	100%
Wm Sugden & Sons Limited	100%
Threadneedle Corporate Image Limited	100%

At 31 December 2014, the company also held shareholdings in the following dormant subsidiaries, all of which are incorporated in England and Wales.

	Percentage of issued ordinary shares
Company Image Limited	100%
Double Two (International) Limited	100%
Kingswell (Fashion Stores) Limited	100%
L. J. & M. Refson Limited ^	100%
Shirtmaster Limited	100%
The Top Twenty Shirt Company Limited ^	100%
Topflight Uniforms Limited ^	100%
Wakefield Drapers Limited	100%

^ Held via Wm Sugden & Sons Limited.

12. STOCKS

	Group	
	2014	2013
	£	£
Raw materials	2,629,968	2,351,121
Work-in-progress	11,542	5,181
Finished goods	4,389,952	3,901,177
	<u>7,031,462</u>	<u>6,257,479</u>

The Wakefield Shirt Company Limited and its subsidiary undertakings

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2014**

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	2,157,059	2,263,860	-	-
Other debtors	19,653	202,072	18,765	166,184
Prepayments and accrued income	<u>1,576,001</u>	<u>1,433,389</u>	<u>320,204</u>	<u>118,058</u>
	<u>3,752,713</u>	<u>3,899,321</u>	<u>338,969</u>	<u>284,242</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans and overdrafts (see note 16)	2,096,738	2,229,212	414	107,463
Other loans (see note 16)	1,077,022	1,040,259	-	-
Trade creditors	2,091,449	1,840,023	-	-
Amounts owed to group undertakings	-	-	178,214	198,297
Social security and other taxes	103,452	60,773	-	-
VAT	20,656	14,282	20,656	14,282
Other creditors	374,818	262,431	-	-
Accruals and deferred income	<u>158,719</u>	<u>145,375</u>	<u>74,785</u>	<u>66,814</u>
	<u>5,922,854</u>	<u>5,592,355</u>	<u>274,069</u>	<u>386,856</u>

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

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans (see note 16)	<u>2,000,000</u>	<u>1,720,708</u>	<u>2,000,000</u>	<u>1,586,884</u>

The Wakefield Shirt Company Limited and its subsidiary undertakings

Notes to the Consolidated Financial Statements - continued for the year ended 31 December 2014

16. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	2,096,738	1,875,933	414	31,213
Bank loans	-	353,279	-	76,250
Other loans	1,077,022	1,040,259	-	-
	<u>3,173,760</u>	<u>3,269,471</u>	<u>414</u>	<u>107,463</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	-	133,824	-	-
Amounts falling due between two and five years:				
Bank loans - 2-5 years	<u>350,011</u>	<u>305,000</u>	<u>350,011</u>	<u>305,000</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans more than 5 years	<u>1,649,989</u>	<u>1,281,884</u>	<u>1,649,989</u>	<u>1,281,884</u>

17. OPERATING LEASE COMMITMENTS

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

Group	Land and buildings	
	2014	2013
	£	£
Expiring:		
Within one year	56,653	20,000
Between one and five years	308,208	398,483
In more than five years	<u>43,920</u>	<u>43,920</u>
	<u>408,781</u>	<u>462,403</u>

The Wakefield Shirt Company Limited and its subsidiary undertakings

Notes to the Consolidated Financial Statements - continued for the year ended 31 December 2014

18. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank overdrafts	2,096,738	1,875,933	414	31,213
Bank loans	2,000,000	2,073,987	2,000,000	1,663,134
Invoice financing	1,077,022	1,040,259	-	-
	<u>5,173,760</u>	<u>4,990,179</u>	<u>2,000,414</u>	<u>1,694,347</u>

The bank overdraft and Invoice Financing are secured by way of a debenture dated 17 October 2014 which provides a fixed and floating charge over the assets of the group.

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2014	2013
			£	£
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 its subsidiary undertakings

Notes to the Consolidated Financial Statements - continued for the year ended 31 December 2014

20. RESERVES

Group

	Profit and loss account £	Revaluation reserve £	Capital redemption reserve £	Other reserves £	Totals £
At 1 January 2014	2,534,191	4,351,082	5,646	388,631	7,279,550
Profit for the year	241,689				241,689
Dividends	(69,857)				(69,857)
Actuarial gain on defined benefit	(873,000)	-	-	-	(873,000)
Deferred tax on actuarial gain	209,520	-	-	-	209,520
Revaluation of fixed assets	-	415,000	-	-	415,000
At 31 December 2014	<u>2,042,543</u>	<u>4,766,082</u>	<u>5,646</u>	<u>388,631</u>	<u>7,202,902</u>
Profit and loss account excluding pension liability	3,026,703				
Pension deficit	<u>(984,160)</u>				
Profit and loss account	<u>2,042,543</u>				

Company

	Profit and loss account £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 January 2014	1,922,901	4,351,082	5,646	6,279,629
Deficit for the year	(35,212)			(35,212)
Dividends	(69,857)			(69,857)
Actuarial gain on defined benefit	(873,000)	-	-	(873,000)
Deferred tax on actuarial gain	209,520	-	-	209,520
Revaluation of fixed assets	-	415,000	-	415,000
At 31 December 2014	<u>1,154,352</u>	<u>4,766,082</u>	<u>5,646</u>	<u>5,926,080</u>
Profit and loss account excluding pension liability	2,138,512			
Pension deficit	<u>(984,160)</u>			
Profit and loss account	<u>1,154,352</u>			

The Wakefield Shirt Company Limited and its subsidiary undertakings

Notes to the Consolidated Financial Statements - continued for the year ended 31 December 2014

21. EMPLOYEE BENEFIT OBLIGATIONS

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2014	2013
	£	£
Present value of funded obligations	(8,187,000)	(6,679,000)
Fair value of plan assets	<u>6,861,000</u>	<u>6,041,000</u>
	(1,326,000)	(638,000)
Present value of unfunded obligations	-	-
Deficit	(1,326,000)	(638,000)
Deferred tax asset	<u>341,840</u>	<u>176,720</u>
Net liability	<u>(984,160)</u>	<u>(461,280)</u>

The amounts recognised in profit or loss are as follows:

	Defined benefit pension plans	
	2014	2013
	£	£
Current service cost	31,000	35,000
Interest cost	293,000	258,000
Expected return	(317,000)	(249,000)
Past service cost	-	-
	<u>7,000</u>	<u>44,000</u>
Actual return on plan assets	<u>691,000</u>	<u>534,000</u>

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

	Defined benefit pension plans	
	2014	2013
	£	£
Opening defined benefit obligation	6,679,000	6,371,000
Current service cost	31,000	35,000
Contributions by scheme participants	29,000	29,000
Interest cost	293,000	258,000
Actuarial losses/(gains)	1,247,000	149,000
Benefits paid	<u>(92,000)</u>	<u>(163,000)</u>
	<u>8,187,000</u>	<u>6,679,000</u>

The Wakefield Shirt Company Limited and its subsidiary undertakings

Notes to the Consolidated Financial Statements - continued for the year ended 31 December 2014

21. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

	Defined benefit pension plans	
	2014	2013
	£	£
Opening fair value of scheme assets	6,041,000	5,449,000
Contributions by employer	192,000	192,000
Contributions by scheme participants	29,000	29,000
Expected return	317,000	249,000
Actuarial gains/(losses)	374,000	285,000
Benefits paid	(92,000)	(163,000)
	<u>6,861,000</u>	<u>6,041,000</u>

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

	Defined benefit pension plans	
	2014	2013
	£	£
Actuarial gains/(losses)	(873,000)	136,000
	<u>(873,000)</u>	<u>136,000</u>
Cumulative amount of actuarial gains/(losses)	<u>(873,000)</u>	<u>136,000</u>

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

	Defined benefit pension plans	
	2014	2013
Equities	48%	50%
Bonds	21%	21%
Property	11%	9%
Other	20%	20%
	<u>100%</u>	<u>100%</u>

The Wakefield Shirt Company Limited and its subsidiary undertakings

Notes to the Consolidated Financial Statements - continued for the year ended 31 December 2014

21. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

	2014	2013
Discount rate	3.60%	4.42%
Expected return on scheme assets	5.04%	5.94%
Future pension increases	3.25%	3.25%
Life expectancy of male aged 65 at balance sheet date	23.50yrs	23.40yrs
Life expectancy of female aged 65 at balance sheet date	26.10yrs	25.50yrs

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

	2014 £	2013 £	2012 £	2011 £	2010 £
Defined benefit pension plans					
Defined benefit obligation	(8,187,000)	(6,679,000)	(6,371,000)	(5,683,000)	(4,993,000)
Fair value of scheme assets	6,861,000	6,041,000	5,449,000	4,824,000	4,672,000
Deficit	(1,326,000)	(638,000)	(922,000)	(859,000)	(321,000)
Experience adjustments on scheme liabilities	-	-	-	-	-
Experience adjustments on scheme assets	-	-	-	-	-

22. 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 HSBC Bank Plc on 17 October 2014 by the following group companies: Double Two Limited, Wm Sugden & Sons Limited and The Wakefield Shirt Company Limited. At 31 December 2014 the total borrowings guaranteed amounted to £4,645,205 (2013: £4,639,017).

23. OTHER FINANCIAL COMMITMENTS

At 31st December 2014 there were financial commitments in respect of irrevocable documentary credits and acceptances of £42,955 (2013: £521,563).

24. RELATED PARTY DISCLOSURES

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

The Wakefield Shirt Company Limited and its subsidiary undertakings

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 December 2014**

25. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2014	2013
	£	£
Profit for the financial year	241,689	118,426
Dividends	(69,857)	(69,857)
	171,832	48,569
Other recognised gains and losses relating to the year (net)	(248,480)	103,360
Net (reduction)/addition to shareholders' funds	(76,648)	151,929
Opening shareholders' funds	8,454,054	8,302,125
Closing shareholders' funds	8,377,406	8,454,054

Company

	2014	2013
	£	£
(Loss)/profit for the financial year	(35,212)	42,884
Dividends	(69,857)	(69,857)
	(105,069)	(26,973)
Other recognised gains and losses relating to the year (net)	(248,480)	103,360
Net (reduction)/addition to shareholders' funds	(353,549)	76,387
Opening shareholders' funds	7,454,133	7,377,746
Closing shareholders' funds	7,100,584	7,454,133