

**REGISTERED NUMBER: 00361629 (England and Wales)**

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

**Report of the Directors and**

**Consolidated Financial Statements**

**for the year ended 31 December 2009**

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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 2009**

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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**

## **Report of the Directors for the year ended 31 December 2009**

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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 2009

### **PRINCIPAL ACTIVITIES**

The principal activities of the group in the year under review were those of The principal activity of the company is to act as a holding company for its subsidiaries and 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

### **REVIEW OF BUSINESS**

As expected, 2009 was a tough year for the group and part way through the year the directors had to review the cost structure to reduce overheads in line with reducing turnover during the recession. Despite this the group managed a small profit before the exceptional costs of restructuring.

Sales fell during the year with a significant fall in sales to Double Two's largest customer and also in Career and Work Wear where companies and organisations delayed purchases in order to save money in the recession. Sales in Double Two retail and wholesale sales of Double Two branded product were broadly level. Gross margin increased slightly due to a change in the mix of sales.

Profits were down at the operating level as reduced sales resulted in lower gross profits, a reduction in overhead expenditure only partly offset this.

Our associate company, Leading Labels, also suffered from the decline in retail sales but continued to be profitable. As noted last year, they purchased a further tranche of their shares in March 2009 with interest paid to the Company as provided for in the sale agreement. They made the next scheduled purchase of shares, on time in November 2009. Our share in the profit of Leading Labels was recorded up to the value of the shares in the sale agreement and this will now remain the value of these shares until sold.

Our FRS 17 Defined Benefit Pension Scheme liability has increased slightly. This is mostly due to a decline in bond yields at the year end on which future liabilities are calculated but this was partly offset due to continued higher contributions from the company to reduce the deficit.

2010 has started slowly but there is some evidence of a return of confidence with an increasing forward order book for the second half of the year in all divisions and a number of significant new accounts won. 2010 will still be a tough year and the directors will be keeping tight control of overheads.

### **DIVIDENDS**

The total distribution of dividends for the year ended 31 December 2009 will be £69,995.

### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2009 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.

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

### **Report of the Directors for the year ended 31 December 2009**

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#### **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.

#### **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.

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

**Report of the Directors  
for the year ended 31 December 2009**

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**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

Dated 5 August 2010

## **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 2009 on pages seven to twenty seven. 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 three, 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 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.

### **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 2009 and of the group's loss for the year then ended,
- the group financial statements 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 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

Dated 5 August 2010



# The Wakefield Shirt Company Limited and its subsidiary undertakings

## Consolidated Profit and Loss Account for the year ended 31 December 2009

	Notes	2009 £	£	2008 £	£
<b>TURNOVER</b>	2		13,174,605		16,367,558
Cost of sales			<u>7,640,310</u>		<u>10,347,446</u>
<b>GROSS PROFIT</b>			5,534,295		6,020,112
Distribution costs		1,225,222		1,461,302	
Administrative expenses		<u>4,440,308</u>		<u>4,278,819</u>	
			<u>5,665,530</u>		<u>5,740,121</u>
			(131,235)		279,991
Other operating income			<u>291,029</u>		<u>287,507</u>
<b>OPERATING PROFIT</b>	4		159,794		567,498
Cost of Fundamental Reorganisation	5		<u>160,594</u>		<u>53,685</u>
			(800)		513,813
Income from interest in associated undertakings		82,378		85,508	
Interest receivable and similar income		3,179		17,481	
Other finance income	21	<u>-</u>		<u>5,000</u>	
			<u>85,557</u>		<u>107,989</u>
			84,757		621,802
Interest payable and similar charges	6	150,497		180,767	
Other finance costs	21	<u>41,000</u>		<u>-</u>	
			<u>191,497</u>		<u>180,767</u>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			(106,740)		441,035
Tax on (loss)/profit on ordinary activities	7		<u>44,213</u>		<u>54,509</u>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>			<u>(150,953)</u>		<u>386,526</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 2009**

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	2009 £	2008 £
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>	<b>(150,953)</b>	<b>386,526</b>
Actuarial gain/(loss)	(266,000)	148,000
Related deferred tax (liability)/asset	<u>74,480</u>	<u>(44,400)</u>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>	<b><u>(342,473)</u></b>	<b><u>490,126</u></b>

The notes form part of these financial statements

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

**Consolidated Balance Sheet**  
**31 December 2009**

	Notes	2009 £	2008 £
<b>FIXED ASSETS</b>			
Tangible assets	11	7,801,500	7,972,765
Investments	12	<u>393,349</u>	<u>573,102</u>
		<b>8,194,849</b>	<b>8,545,867</b>
<b>CURRENT ASSETS</b>			
Stocks	13	4,986,839	5,152,216
Debtors	14	2,300,374	2,163,050
Cash at bank		<u>376,192</u>	<u>405,163</u>
		<b>7,663,405</b>	<b>7,720,429</b>
<b>CREDITORS</b>			
Amounts falling due within one year	15	<u>3,569,532</u>	<u>3,517,774</u>
<b>NET CURRENT ASSETS</b>		<u><b>4,093,873</b></u>	<u><b>4,202,655</b></u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>12,288,722</b>	<b>12,748,522</b>
<b>CREDITORS</b>			
Amounts falling due after more than one year	16	(1,854,108)	(2,000,000)
<b>PENSION LIABILITY</b>	21	<u>(279,160)</u>	<u>(180,600)</u>
<b>NET ASSETS</b>		<u><b>10,155,454</b></u>	<u><b>10,567,922</b></u>

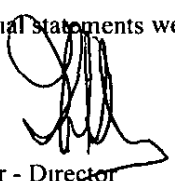
The notes form part of these financial statements

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

**Consolidated Balance Sheet - continued**  
**31 December 2009**

		2009		2008	
	Notes	£	£	£	£
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		1,174,504		1,174,504
Revaluation reserve	20		6,141,082		6,141,082
Capital redemption reserve	20		5,646		5,646
Other reserves	20		388,631		388,631
Profit and loss account	20		<u>2,445,591</u>		<u>2,858,059</u>
<b>SHAREHOLDERS' FUNDS</b>	25		<u><b>10,155,454</b></u>		<u><b>10,567,922</b></u>

The financial statements were approved by the Board of Directors on 5 August 2010 and were signed on its behalf by

  
R J Donner - Director

  
R John Donner - Director

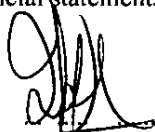
The notes form part of these financial statements

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

**Company Balance Sheet**  
**31 December 2009**

	Notes	2009 £	2008 £
<b>FIXED ASSETS</b>			
Tangible assets	11	7,312,314	7,317,005
Investments	12	<u>6,300,674</u>	<u>6,346,468</u>
		13,612,988	13,663,473
<b>CURRENT ASSETS</b>			
Debtors	14	777,786	910,555
<b>CREDITORS</b>			
Amounts falling due within one year	15	<u>270,337</u>	<u>261,472</u>
<b>NET CURRENT ASSETS</b>		<u>507,449</u>	<u>649,083</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		14,120,437	14,312,556
<b>CREDITORS</b>			
Amounts falling due after more than one year	16	(1,854,108)	(2,000,000)
<b>PENSION LIABILITY</b>	21	<u>(279,160)</u>	<u>(180,600)</u>
<b>NET ASSETS</b>		<u>11,987,169</u>	<u>12,131,956</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	1,174,504	1,174,504
Revaluation reserve	20	6,141,082	6,141,082
Capital redemption reserve	20	5,646	5,646
Profit and loss account	20	<u>4,665,937</u>	<u>4,810,724</u>
<b>SHAREHOLDERS' FUNDS</b>	25	<u>11,987,169</u>	<u>12,131,956</u>

The financial statements were approved by the Board of Directors on 5 August 2010 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 2009**

	Notes	2009 £	2008 £
Net cash (outflow)/inflow from operating activities	1	(11,548)	1,094,900
Returns on investments and servicing of finance	2	(64,940)	(77,778)
Taxation		(19,173)	(10,109)
Capital expenditure and financial investment	2	153,799	(321,445)
Equity dividends paid		<u>(69,995)</u>	<u>(69,857)</u>
		(11,857)	615,711
Financing	2	<u>(119,407)</u>	<u>(32,594)</u>
(Decrease)/Increase in cash in the period		<u>(131,264)</u>	<u>583,117</u>
Reconciliation of net cash flow to movement in net debt	3		
(Decrease)/Increase in cash in the period		(131,264)	583,117
Cash outflow from decrease in debt		<u>119,407</u>	<u>32,594</u>
Change in net debt resulting from cash flows		<u>(11,857)</u>	<u>615,711</u>
Movement in net debt in the period		(11,857)	615,711
Net debt at 1 January 2009		<u>(3,653,914)</u>	<u>(4,269,625)</u>
Net debt at 31 December 2009		<u>(3,665,771)</u>	<u>(3,653,914)</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 2009**

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

	2009	2008
	£	£
Operating profit	159,794	567,498
Depreciation charges	195,148	169,063
Loss/(Profit) on disposal of fixed assets	2,071	(5,326)
Cost or reorganisation	(160,594)	(53,685)
Decrease/(Increase) in stocks	165,377	(221,507)
(Increase)/Decrease in debtors	(137,324)	1,056,108
Decrease in creditors	(77,020)	(274,251)
Difference between pension charge and cash contributions	(159,000)	(143,000)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(11,548)</b>	<b>1,094,900</b>

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

	2009	2008
	£	£
<b>Returns on investments and servicing of finance</b>		
Interest received	3,179	17,481
Interest paid	(150,497)	(180,767)
Dividends received	82,378	85,508
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b>(64,940)</b>	<b>(77,778)</b>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(38,061)	(251,996)
Purchase of fixed asset investments	(63,205)	(75,399)
Sale of tangible fixed assets	15,065	5,950
Sale of fixed asset investments	240,000	-
<b>Net cash inflow/(outflow) for capital expenditure and financial investment</b>	<b>153,799</b>	<b>(321,445)</b>
<b>Financing</b>		
Loan repayments in year	(119,407)	(32,594)
<b>Net cash outflow from financing</b>	<b>(119,407)</b>	<b>(32,594)</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 2009

### 3 ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.09 £	Cash flow £	At 31.12.09 £
Net cash			
Cash at bank	405,163	(28,971)	376,192
Bank overdraft and other short term loans	<u>(1,997,894)</u>	<u>(102,293)</u>	<u>(2,100,187)</u>
	<u>(1,592,731)</u>	<u>(131,264)</u>	<u>(1,723,995)</u>
Debt			
Debts falling due within one year	(61,183)	(26,485)	(87,668)
Debts falling due after one year	<u>(2,000,000)</u>	<u>145,892</u>	<u>(1,854,108)</u>
	<u>(2,061,183)</u>	<u>119,407</u>	<u>(1,941,776)</u>
Total	<u>(3,653,914)</u>	<u>(11,857)</u>	<u>(3,665,771)</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 2009**

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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
Fixtures and fittings	- 10%/20% on cost
Warehouse	- 7%/10% on cost
Motor vehicles	- 25% on 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 5.66% 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 2009**

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### **2 TURNOVER**

The turnover and loss (2008 - profit) before taxation are attributable to the principal activities of the group

An analysis of turnover by geographical market is given below

	2009 £	2008 £
United Kingdom	12,747,837	16,003,894
Other	<u>426,768</u>	<u>363,664</u>
	<u><u>13,174,605</u></u>	<u><u>16,367,558</u></u>

### **3 STAFF COSTS**

The aggregate payroll costs of the staff were

	2009 £	2008 £
Wages and salaries	3,246,084	3,273,062
Social security costs	242,010	298,446
Pension costs	<u>102,556</u>	<u>99,149</u>
	<u><u>3,590,650</u></u>	<u><u>3,670,657</u></u>

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

	2009	2008
Number of production staff	29	33
Number of administrative staff	<u>122</u>	<u>128</u>
	<u><u>151</u></u>	<u><u>161</u></u>

### **4 OPERATING PROFIT**

The operating profit is stated after charging/(crediting)

	2009 £	2008 £
Depreciation - owned assets	195,148	169,063
Loss/(Profit) on disposal of fixed assets	2,071	(5,326)
Auditors' remuneration	<u>25,830</u>	<u>24,669</u>

# The Wakefield Shirt Company Limited and its subsidiary undertakings

## Notes to the Consolidated Financial Statements - continued for the year ended 31 December 2009

### 4 OPERATING PROFIT - continued

	2009 £	2008 £
Directors' emoluments		
Emoluments receivable	53,708	54,214
Pension contributions	7,210	7,210
Healthcare	<u>1,044</u>	<u>938</u>
	<u>61,962</u>	<u>62,362</u>

### 5 COST OF REORGANISATION

	2009 £	2008 £
Redundancy and termination costs	104,003	14,488
Site costs	56,591	28,197
Reorganisation recruitment	-	11,000
	<u>160,594</u>	<u>53,685</u>

### 6 INTEREST PAYABLE AND SIMILAR CHARGES

	2009 £	2008 £
Bank interest	<u>150,497</u>	<u>180,767</u>

### 7 TAXATION

#### Analysis of the tax charge

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

	2009 £	2008 £
Current tax		
Corporation tax on interest in associate	19,173	10,109
Deferred tax on pension liability	<u>25,040</u>	<u>44,400</u>
Tax on (loss)/profit on ordinary activities	<u>44,213</u>	<u>54,509</u>

### 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 £116,728 (2008 - £(40,794) loss)

# The Wakefield Shirt Company Limited and its subsidiary undertakings

## Notes to the Consolidated Financial Statements - continued for the year ended 31 December 2009

### 9 DIVIDENDS

	2009 £	2008 £
C Preference shares of £1 each		
Final	3,825	3,825
Ordinary shares of £1 each		
Final	<u>66,170</u>	<u>66,032</u>
	<u>69,995</u>	<u>69,857</u>

### 10 PRIOR YEAR ADJUSTMENT

The company has followed the changes proposed in the amendment to FRS17 "Retirement Benefits" which relates to accounting periods beginning on or after 6 April 2007, with early adoption available. This resulted in a current and prior year adjustment in 2008 which then changed the results by increasing the reported group profit before tax by £143,000 in 2008, and the adjustment for 2007 of £133,000 which was accounted for in 2008.

### 11 TANGIBLE FIXED ASSETS

#### Group

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>					
At 1 January 2009	7,275,000	7,447,212	42,345	194,029	14,958,586
Additions	-	27,496	4,565	6,000	38,061
Disposals	-	-	-	(43,002)	(43,002)
At 31 December 2009	<u>7,275,000</u>	<u>7,474,708</u>	<u>46,910</u>	<u>157,027</u>	<u>14,953,645</u>
<b>DEPRECIATION</b>					
At 1 January 2009	-	6,831,895	342	153,584	6,985,821
Charge for year	-	171,115	9,256	14,777	195,148
Eliminated on disposal	-	-	-	(28,824)	(28,824)
At 31 December 2009	-	<u>7,003,010</u>	<u>9,598</u>	<u>139,537</u>	<u>7,152,145</u>
<b>NET BOOK VALUE</b>					
At 31 December 2009	<u>7,275,000</u>	<u>471,698</u>	<u>37,312</u>	<u>17,490</u>	<u>7,801,500</u>
At 31 December 2008	<u>7,275,000</u>	<u>615,317</u>	<u>42,003</u>	<u>40,445</u>	<u>7,972,765</u>

# The Wakefield Shirt Company Limited and its subsidiary undertakings

## Notes to the Consolidated Financial Statements - continued for the year ended 31 December 2009

### 11 TANGIBLE FIXED ASSETS - continued

#### Company

	Freehold property £	Fixtures and fittings £	Totals £
<b>COST</b>			
At 1 January 2009	7,275,000	63,381	7,338,381
Additions	-	4,565	4,565
At 31 December 2009	<u>7,275,000</u>	<u>67,946</u>	<u>7,342,946</u>
<b>DEPRECIATION</b>			
At 1 January 2009	-	21,376	21,376
Charge for year	-	9,256	9,256
At 31 December 2009	<u>-</u>	<u>30,632</u>	<u>30,632</u>
<b>NET BOOK VALUE</b>			
At 31 December 2009	<u>7,275,000</u>	<u>37,314</u>	<u>7,312,314</u>
At 31 December 2008	<u>7,275,000</u>	<u>42,005</u>	<u>7,317,005</u>

### 12 FIXED ASSET INVESTMENTS

#### Group

	Interest in associate undertakings £
<b>COST</b>	
At 1 January 2009	573,102
Additions	63,205
Disposals	(242,958)
At 31 December 2009	<u>393,349</u>
<b>NET BOOK VALUE</b>	
At 31 December 2009	<u>393,349</u>
At 31 December 2008	<u>573,102</u>

# The Wakefield Shirt Company Limited and its subsidiary undertakings

## Notes to the Consolidated Financial Statements - continued for the year ended 31 December 2009

### 12 FIXED ASSET INVESTMENTS - continued

#### Company

	Shares in group undertakings £	Interest in associate undertakings £	Totals £
<b>COST</b>			
At 1 January 2009	6,230,142	116,326	6,346,468
Disposals	-	(45,794)	(45,794)
At 31 December 2009	<u>6,230,142</u>	<u>70,532</u>	<u>6,300,674</u>
<b>NET BOOK VALUE</b>			
At 31 December 2009	<u>6,230,142</u>	<u>70,532</u>	<u>6,300,674</u>
At 31 December 2008	<u>6,230,142</u>	<u>116,326</u>	<u>6,346,468</u>

### 13 STOCKS

	Group	
	2009 £	2008 £
Raw materials	1,318,044	1,276,423
Work-in-progress	171,824	183,830
Finished goods	<u>3,496,971</u>	<u>3,691,963</u>
	<u>4,986,839</u>	<u>5,152,216</u>

### 14 DEBTORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2009 £	2008 £	2009 £	2008 £
Trade debtors	1,244,604	1,436,576	-	-
Amounts owed by group undertakings	-	-	574,582	781,528
Other debtors	32,802	6,802	32,002	6,002
Prepayments and accrued income	<u>1,022,968</u>	<u>719,672</u>	<u>171,202</u>	<u>123,025</u>
	<u>2,300,374</u>	<u>2,163,050</u>	<u>777,786</u>	<u>910,555</u>

# The Wakefield Shirt Company Limited and its subsidiary undertakings

## Notes to the Consolidated Financial Statements - continued for the year ended 31 December 2009

### 15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Bank loans and overdrafts (see note 17)	2,187,855	2,059,077	165,303	121,483
Trade creditors	955,712	776,343	-	-
Social security and other taxes	59,510	73,818	-	-
VAT	105,951	13,804	16,375	13,546
Other creditors	59,022	239,072	-	-
Accruals and deferred income	201,482	355,660	88,659	126,443
	<u>3,569,532</u>	<u>3,517,774</u>	<u>270,337</u>	<u>261,472</u>

### 16 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Bank loans (see note 17)	<u>1,854,108</u>	<u>2,000,000</u>	<u>1,854,108</u>	<u>2,000,000</u>

### 17 LOANS

An analysis of the maturity of loans is given below

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Amounts falling due within one year or on demand				
Bank overdrafts	2,100,187	1,997,894	77,635	60,300
Bank loans	<u>87,668</u>	<u>61,183</u>	<u>87,668</u>	<u>61,183</u>
	<u>2,187,855</u>	<u>2,059,077</u>	<u>165,303</u>	<u>121,483</u>
Amounts falling due between two and five years				
Bank loans - 2-5 years	<u>315,343</u>	<u>374,927</u>	<u>315,343</u>	<u>374,927</u>
Amounts falling due in more than five years				
Repayable by installments				
Bank loans over 5 years by installments	<u>1,538,765</u>	<u>1,625,073</u>	<u>1,538,765</u>	<u>1,625,073</u>

# The Wakefield Shirt Company Limited and its subsidiary undertakings

## Notes to the Consolidated Financial Statements - continued for the year ended 31 December 2009

### 18 OPERATING LEASE COMMITMENTS

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

#### Group

	Land and buildings	
	2009 £	2008 £
Expiring		
Within one year	55,213	71,497
Between one and five years	365,032	448,402
In more than five years	<u>66,560</u>	<u>-</u>
	<u>486,805</u>	<u>519,899</u>

### 19 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid			2009	2008
Number	Class	Nominal value	£	£
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	<u>4,504</u>	<u>4,504</u>
			<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 2009

### 20 RESERVES

#### Group

	Profit and loss account £	Revaluation reserve £	Capital redemption reserve £	Other reserves £	Totals £
At 1 January 2009	2,858,059	6,141,082	5,646	388,631	9,393,418
Deficit for the year	(150,953)				(150,953)
Dividends	(69,995)				(69,995)
Actuarial gain on defined benefit	(266,000)	-	-	-	(266,000)
Deferred tax on actuarial gain	74,480	-	-	-	74,480
At 31 December 2009	<u>2,445,591</u>	<u>6,141,082</u>	<u>5,646</u>	<u>388,631</u>	<u>8,980,950</u>
Profit and loss account excluding pension liability	2,724,751				
Pension deficit	<u>(279,160)</u>				
Profit and loss account	<u>2,445,591</u>				

#### Company

	Profit and loss account £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 January 2009	4,810,724	6,141,082	5,646	10,957,452
Profit for the year	116,728			116,728
Dividends	(69,995)			(69,995)
Actuarial gain on defined benefit	(266,000)	-	-	(266,000)
Deferred tax on actuarial gain	74,480	-	-	74,480
At 31 December 2009	<u>4,665,937</u>	<u>6,141,082</u>	<u>5,646</u>	<u>10,812,665</u>
Profit and loss account excluding pension liability	4,945,097			
Pension deficit	<u>(279,160)</u>			
Profit and loss account	<u>4,665,937</u>			

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

**Notes to the Consolidated Financial Statements - continued  
for the year ended 31 December 2009**

**21 EMPLOYEE BENEFIT OBLIGATIONS**

The amounts recognised in the balance sheet are as follows

	<b>Defined benefit pension plans</b>	
	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Present value of funded obligations	<b>(4,462,000)</b>	<b>(3,810,000)</b>
Fair value of plan assets	<b><u>4,056,000</u></b>	<b><u>3,552,000</u></b>
	<b>(406,000)</b>	<b>(258,000)</b>
Present value of unfunded obligations	<b><u>-</u></b>	<b><u>-</u></b>
Deficit	<b>(406,000)</b>	<b>(258,000)</b>
Deferred tax asset	<b><u>126,840</u></b>	<b><u>77,400</u></b>
Net liability	<b><u>(279,160)</u></b>	<b><u>(180,600)</u></b>

The amounts recognised in profit or loss are as follows

	<b>Defined benefit pension plans</b>	
	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Current service cost	<b>30,000</b>	<b>41,000</b>
Interest cost	<b>236,000</b>	<b>254,000</b>
Expected return	<b>(195,000)</b>	<b>(259,000)</b>
Past service cost	<b><u>-</u></b>	<b><u>-</u></b>
	<b><u>71,000</u></b>	<b><u>36,000</u></b>
Actual return on plan assets	<b><u>563,000</u></b>	<b><u>(491,000)</u></b>

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

## **Notes to the Consolidated Financial Statements - continued for the year ended 31 December 2009**

### **21 EMPLOYEE BENEFIT OBLIGATIONS - continued**

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

	<b>Defined benefit pension plans</b>	
	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Opening defined benefit obligation	3,810,000	4,407,000
Current service cost	30,000	41,000
Contributions by scheme participants	51,000	62,000
Interest cost	236,000	254,000
Actuarial losses/(gains)	634,000	(898,000)
Benefits paid	(252,000)	(102,000)
Expenses	(47,000)	(61,000)
Refund of annuity purchase	-	107,000
	<u>4,462,000</u>	<u>3,810,000</u>

Changes in the fair value of scheme assets are as follows

	<b>Defined benefit pension plans</b>	
	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Opening fair value of scheme assets	3,552,000	3,853,000
Contributions by employer	189,000	184,000
Contributions by scheme participants	51,000	62,000
Expected return	195,000	259,000
Actuarial gains/(losses)	368,000	(750,000)
Benefits paid	(252,000)	(102,000)
Expenses	(47,000)	(61,000)
Refund of annuity purchase	-	107,000
	<u>4,056,000</u>	<u>3,552,000</u>

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

	<b>Defined benefit pension plans</b>	
	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Actuarial gains/(losses)	(266,000)	148,000
	<u>(266,000)</u>	<u>148,000</u>
Cumulative amount of actuarial gains/(losses)	<u>(266,000)</u>	<u>148,000</u>

# The Wakefield Shirt Company Limited and its subsidiary undertakings

## Notes to the Consolidated Financial Statements - continued for the year ended 31 December 2009

### 21 EMPLOYEE BENEFIT OBLIGATIONS - continued

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

	<b>Defined benefit pension plans</b>	
	<b>2009</b>	<b>2008</b>
Equities	47%	31%
Bonds	40%	43%
Property	11%	13%
Other	2%	13%
	<u>100%</u>	<u>100%</u>

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

	<b>2009</b>	<b>2008</b>
Discount rate	5.66%	6.40%
Expected return on scheme assets	6.26%	5.44%
Future pension increases	2.68%	2.62%
Life expectancy of male aged 65 at balance sheet date (in years)	23.20	23.10
Life expectancy of female aged 65 at balance sheet date (in years)	25.30	25.20

Amounts for the current and previous two periods are as follows

	<b>2009</b>	<b>2008</b>	<b>2007</b>
<b>Defined benefit pension plans</b>			
Defined benefit obligation	(4,462,000)	(3,810,000)	(4,407,000)
Fair value of scheme assets	4,056,000	3,552,000	3,853,000
Deficit	(406,000)	(258,000)	(554,000)

### 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 Yorkshire Bank Plc on 11th October 2006 by the following group companies Double Two Limited, Threadneedle Company Image Limited and Wm Sugden & Sons Limited At 31st December 2009 the borrowings guaranteed amounted to £3,731,189 (2008 £3,672,856)

### 23 OTHER FINANCIAL COMMITMENTS

At 31st December 2009 there were financial commitments in respect of irrevocable documentary credits and acceptances of £525,732 (2008 £230,004)

## The Wakefield Shirt Company Limited and its subsidiary undertakings

### Notes to the Consolidated Financial Statements - continued for the year ended 31 December 2009

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#### 24 RELATED PARTY DISCLOSURES

The Wakefield Shirt Company Limited has a 20.152% interest in Leading Labels Limited, a company registered in England. Leading Labels Limited is a related party through common directors. The company has, in the normal course of business, supplied management services to Leading Labels Limited. Operating service charges amounted to £9,767.

#### 25 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

##### Group

	2009	2008
(Loss)/Profit for the financial year	(150,953)	386,526
Dividends	(69,995)	(69,857)
	(220,948)	316,669
Other recognised gains and losses relating to the year (net)	(191,520)	103,600
Net (reduction)/addition to shareholders' funds	(412,468)	420,269
Opening shareholders' funds	10,567,922	10,147,653
Closing shareholders' funds	10,155,454	10,567,922

##### Company

	2009	2008
Profit/(Loss) for the financial year	116,728	(40,794)
Dividends	(69,995)	(69,857)
	46,733	(110,651)
Other recognised gains and losses relating to the year (net)	(191,520)	103,600
Net reduction of shareholders' funds	(144,787)	(7,051)
Opening shareholders' funds	12,131,956	12,139,007
Closing shareholders' funds	11,987,169	12,131,956