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Financial Statements

The Florida Group Limited

For the year ended 31 December 2015

Registered number: 00319106



The Florida Group Limited

Company Information

Directors

G J McFadyen
N C Harrison (Non-Executive Director)
A K Linford (Non-Executive Director)
A Christensen
P J Clarke
C Farmer
J Larke

Company secretary

P J Clarke

Registered number

00319106

Registered office

Didben Road
Norwich
Norfolk
NR3 4RR

The Florida Group Limited

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Directors' Report

For the year ended 31st December 2015

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

Principal activity

The principal activity of the company continued to be that of a manufacturer, wholesaler, supplier and operator of concessions of footwear and accessories.

Results and dividends

The profit for the year, after taxation, amounted to £98,578 (2014 - £567,549).

An interim dividend of £1.25 per share was paid on 24 May 2016.

Directors

The directors who served during the year were:

G J McFadyen
N C Harrison (Non-Executive Director)
A K Linford (Non-Executive Director)
A Christensen
P J Clarke
C Farmer
J Larke

Matters covered in the strategic report

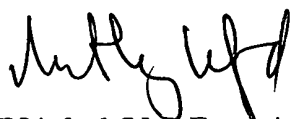
In accordance with S414C(11) of Companies Act 2006, the group has presented its review of the business and future developments, principal risks and uncertainties and key performance indicators in the Strategic Report.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

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

This report was approved by the board on **29 June 2016** and signed on its behalf.



A K Linford (Non-Executive Director)
Director

Strategic Report

For the year ended 31 December 2015

Business review

The results for the year show a pre-tax profit of £52,248 (2014 - £567,307).

Financial risk management objectives and policies

In common with other businesses, the company aims to minimise financial risk. The measures used by the directors to manage this risk include the preparation of detailed profit and loss and cash flow forecasts, regular monitoring of actual performance against these forecasts and ensuring that adequate financing facilities are in place to meet the requirements of the business. Trade debtors are closely monitored to keep the risk of bad debts to a minimum level and creditor terms are reviewed on a regular basis. Stock is kept in secure environments with adequate insurance cover. Levels of stock are closely monitored to reduce the risk of slow moving stocks being held.

Financial instruments

The principal aims of the company's financial risk management are to monitor and address the risks arising from the company's external funding requirements and optimise net interest cost after tax.

Liquidity risk

The Board seeks to achieve a balance between certainty of funding with committed facilities and a flexible, cost effective structure.

Interest rate risk

The company has no significant exposure to interest rate risk.

Currency exposure

During the year, the company operated internationally, giving rise to exposure from changes in foreign exchange rates, particularly the Euro.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales commence.

Principal risks and uncertainties

In addition to the financial risks discussed above, the company faces a number of commercial risks which are in keeping with other businesses operating in the retail sector. The directors consider that the key ones are:

- economic conditions affecting consumers' disposable incomes;
- the ability to attract and retain the right number and quality of staff;

Risks are regularly reviewed by the directors with a view to setting appropriate contingency plans.

Future developments

The company expects to continue its activities in a consistent manner. While the ladies footwear market remains competitive, management will continue to review opportunities considered appropriate to the group.

Strategic report (continued)

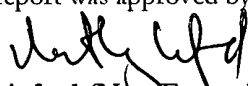
Key performance indicators

The key performance indicators for the company for the year are as summarised in the table below:

	2015	2014
Turnover £	9,243,244	9,594,010
Gross margin %	52.8	49.4
EBITDA £	133,742	669,543

The company remained debt free throughout the year.

This report was approved by the board on 29 June 2016 and signed on its behalf.



A K Linford (Non-Executive Director)
Director

Directors' Responsibilities Statement

For the year ended 31 December 2015

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Members of The Florida Group Limited

We have audited the financial statements of The Florida Group Limited for the year ended 31st December 2015, which comprise the Profit and loss account, the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31st December 2015 and of its 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 Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditor's Report to the Members of The Florida Group Limited

Matters on which we are required to report by exception

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

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



Anders Rasmussen (Senior statutory auditor)

for and on behalf of

Grant Thornton UK LLP

Statutory Auditor

Chartered Accountants

Norwich

Date: 11/7/2016

The Florida Group Limited

Profit and Loss Account

For the year ended 31 December 2015

	Note	2015 £	2014 £
Turnover		9,243,244	9,594,010
Other operating income		224,656	239,379
Raw materials and consumables		(4,313,130)	(4,867,747)
Other external charges		(1,139,768)	(1,182,298)
Profit on disposal of fixed assets		-	428,427
Staff costs		(2,243,544)	(2,173,969)
Depreciation and amortisation		(83,496)	(106,554)
Other operating expenses		(1,637,716)	(1,368,259)
Operating profit		50,246	562,989
Interest receivable and similar income		46,380	3,634
Interest payable and expenses	9	(48)	(10,316)
Pension income		2,000	8,000
Profit before tax		98,578	564,307
Tax on profit	11	-	3,242
Profit for the year		98,578	567,549

The notes on pages 11 to 31 form part of these financial statements.

Statement of Comprehensive Income

For the year ended 31 December 2015

	Note	2015 £	2014 £
Profit for the financial year		98,578	567,549
Other comprehensive income			
Actuarial gain / (loss) on defined benefit schemes		124,000	(274,000)
Pension surplus not recognised		(248,000)	-
Movement on deferred tax relating to pension asset		2,600	34,000
Other comprehensive income for the year		(121,400)	(240,000)
Total comprehensive income for the year		(22,822)	327,549

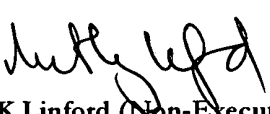
The notes on pages 11 to 31 form part of these financial statements.

Balance Sheet

As at 31 December 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	12	180,923	178,502
Investments	13	19,054	19,054
		<u>199,977</u>	<u>197,556</u>
Current assets			
Stocks	14	2,561,634	2,576,083
Debtors: amounts falling due within one year	15	2,648,522	2,486,219
Current asset investments	16	300	300
Cash at bank and in hand	17	508,795	592,660
		<u>5,719,251</u>	<u>5,655,262</u>
Creditors: amounts falling due within one year	18	(1,088,060)	(1,000,628)
Net current assets		<u>4,631,191</u>	<u>4,654,634</u>
Total assets less current liabilities		<u>4,831,168</u>	<u>4,852,190</u>
Provisions for liabilities			
Other provisions	21	(99,000)	(79,000)
		<u>(99,000)</u>	<u>(79,000)</u>
Pension liability	25	-	(13,000)
Net assets		<u><u>4,732,168</u></u>	<u><u>4,760,190</u></u>
Capital and reserves			
Called up share capital	23	91,153	91,153
Profit and loss account	22	4,641,015	4,669,037
		<u><u>4,732,168</u></u>	<u><u>4,760,190</u></u>

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


 29 June 2016
 A K Linford (Non-Executive Director)
 Director

The notes on pages 11 to 31 form part of these financial statements.

Statement of Changes in Equity

As at 31 December 2015

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2015	91,153	4,669,037	4,760,190
Comprehensive income for the year			
Profit for the year	-	98,578	98,578
Actuarial losses on pension scheme	-	(124,000)	(124,000)
Deferred tax movements	-	(2,600)	(2,600)
Other comprehensive income for the year	-	(126,600)	(126,600)
Total comprehensive income for the year	-	(28,022)	(28,022)
At 31 December 2015	91,153	4,641,015	4,732,168

Statement of Changes in Equity

As at 31 December 2014

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2014	91,153	4,409,488	4,500,641
Comprehensive income for the year			
Profit for the year	-	567,549	567,549
Actuarial losses on pension scheme	-	(274,000)	(274,000)
Deferred tax movements	-	(34,000)	(34,000)
Other comprehensive income for the year	-	(308,000)	(308,000)
Total comprehensive income for the year	-	259,549	259,549
At 31 December 2014	91,153	4,669,037	4,760,190

The notes on pages 11 to 31 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31st December 2015

1. Accounting policies

1.1 Company information

The Florida Group Limited ('the Company') operates as a manufacturer, wholesaler, supplier and operator of concessions of footwear and accessories company. The company is a private company limited by shares and is incorporated in the United Kingdom under the Companies Act 2006. The address of its registered office is Dibden Road, Norwich, Norfolk, NR3 4RR.

1.2 Basis of preparation of financial statements

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

Information on the impact of first-time adoption of FRS 102 is given in note 29.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.3 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of The Little Norwich Shoe Company as at 31 December 2015 and these financial statements may be obtained from Companies House, Cardiff, CF14 3UZ.

1.4 Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Notes to the Financial Statements

For the year ended 31st December 2015

1. Accounting policies (continued)

1.5 Revenue

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

Sale of goods

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

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

1.6 Tangible fixed assets

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

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Depreciation is provided on the following bases:

Plant and machinery	-	10% - 50% straight line or reducing balance
Fixtures, fittings and equipment	-	25% - straight line or 33% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Profit and loss account.

1.7 Operating leases: Lessee

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

Notes to the Financial Statements

For the year ended 31st December 2015

1. Accounting policies (continued)

1.8 Investments

Long-term investments are classified as fixed assets, short-term investments are classified as current assets.

Fixed asset investments are stated at fair value in the balance sheet. Provision is made for any impairment in the value of fixed asset investments.

Current asset investments are stated at fair value.

1.9 Stock and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost of finished goods and work in progress includes overheads appropriate to the stage of manufacture. Net realisable value is based upon estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow-moving items.

Overheads are not recognised on goods in transit at the year end from suppliers to the company. The company's cut-off date for inclusion of stock from overseas suppliers is calculated with reference to when the stock becomes the responsibility of The Florida Group Limited. This is the bill of lading date.

Stock given to customers on a consignment basis is accounted for in the balance sheet up until the point at which such stock is sold on by the customer, at which point a sale is recognised.

1.10 Debtors

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

1.11 Cash and cash equivalents

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

Notes to the Financial Statements

For the year ended 31st December 2015

1. Accounting policies (continued)

1.12 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- i) at fair value with changes recognised in the Profit and loss account if the shares are publicly traded or their fair value can otherwise be measured reliably;
- ii) at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.13 Creditors

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

Notes to the Financial Statements

For the year ended 31st December 2015

1. Accounting policies (continued)

1.14 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

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

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Profit and loss account within 'other operating income'.

1.15 Finance costs

Finance costs are charged to the Profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.16 Retirement Benefits

For defined benefit schemes, the pension costs are assessed using the projected unit credit method, the cost of providing pensions is charged to the profit and loss account so as to spread the regular costs over the service lives of employees. The pension obligation is measured at the present value of the estimated future cash flows using interest rates on government securities that have terms to maturing, approximating the terms of the related liability.

When the benefits of a scheme are improved, past service costs are recognised as an expense on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately, following the introduction of, or changes to, a defined benefit plan, the past service cost is recognised as an expense immediately.

For the defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date.

Actuarial gains and losses arising are recognised immediately in the Statement of Other Comprehensive Income.

The amount recognised in the balance sheet represents the present value of the defined benefit obligation, adjusted for unrecognised past service costs, and reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the lower of the asset, and any unrecognised past service cost plus the present value of available refunds or reductions in future contributions to the plan.

The rate used to discount the benefit obligations is based on market yields for high quality corporate bonds with terms and currencies consistent with those of the benefit obligations.

Notes to the Financial Statements

For the year ended 31st December 2015

1. Accounting policies (continued)

Gains and losses on curtailments/settlements are recognised when the curtailment/settlement occurs.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Balance sheet.

1.17 Interest income

Interest income is recognised in the Profit and loss account using the effective interest method.

1.18 Provisions for Liabilities

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

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

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

1.19 Current and deferred taxation

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

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

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

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

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

Notes to the Financial Statements

For the year ended 31st December 2015

2. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the Group and Company's accounting policies, the Directors are required to make judgements, estimates and assumptions. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing material adjustment to the carrying amount of assets and liabilities are outlined below:

Defined benefit pension scheme:

The company has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including life expectancy, salary increases, asset valuations, and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

Stock provision:

The company estimates the net realisable value and selling price of stocks held in order to determine any provision which may be required.

3. Analysis of turnover

Analysis of turnover by country of destination:

	2015 £	2014 £
United Kingdom	7,792,506	8,060,156
Rest of Europe	1,258,042	1,219,206
Rest of the world	192,696	314,648
	<u>9,243,244</u>	<u>9,594,010</u>

Notes to the Financial Statements

For the year ended 31st December 2015

4. Operating profit

The operating profit is stated after charging/ (crediting):

	2015 £	2014 £
Depreciation of tangible fixed assets	83,497	106,554
Exchange differences	51,496	(9,185)
Defined contribution pension cost	157,015	140,054
	<u>157,015</u>	<u>140,054</u>

5. Auditor's remuneration

	2015 £	2014 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	16,600	12,500
	<u>16,600</u>	<u>12,500</u>

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2015 £	2014 £
Wages and salaries	1,877,403	1,871,431
Social security costs	200,127	162,483
Pension costs	157,015	140,054
	<u>2,234,545</u>	<u>2,173,968</u>

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

	2015 No.	2014 No.
Management and administration (including directors)	22	24
Production	76	59
	<u>98</u>	<u>83</u>

Notes to the Financial Statements

For the year ended 31st December 2015

7. Directors' remuneration

	2015 £	2014 £
Directors' emoluments	272,056	280,384
Directors pension costs	35,836	40,139
	<u>307,892</u>	<u>320,523</u>

During the year retirement benefits were accruing to 6 directors (2014 - 6) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £73,339 (2014 - £83,762).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £6,347 (2014 - £6,361).

8. Interest receivable

	2015 £	2014 £
Interest receivable from group companies	46,330	-
Other interest receivable	50	3,634
	<u>46,380</u>	<u>3,634</u>

9. Interest payable and similar charges

	2015 £	2014 £
Bank interest payable	48	10,316
	<u>48</u>	<u>10,316</u>

10. Other finance costs

	2015 £	2014 £
Net interest on net defined benefit liability	2,000	8,000
	<u>2,000</u>	<u>8,000</u>

Notes to the Financial Statements

For the year ended 31st December 2015

11. Taxation

	2015 £	2014 £
Corporation tax		
Adjustments in respect of previous periods	-	(642)
Total current tax	-	(642)
Deferred tax		
Relating to pension liability	-	(2,600)
Total deferred tax	-	(2,600)
Taxation on profit/(loss) on ordinary activities	-	(3,242)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 20.25% (2014 - 21.49%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	52,248	564,307
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.49%)	10,580	121,270
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	25,288	10,113
Adjustments to tax charge in respect of prior periods	-	(642)
Defined benefit pension scheme timing differences leading to a decrease in taxation	-	(2,600)
Unrelieved tax losses carried forward	-	5,536
Deferred tax asset not recognised	(35,868)	(136,919)
Total tax charge for the year	-	(3,242)

Notes to the Financial Statements

For the year ended 31st December 2015

11. Taxation (continued)

Factors that may affect future tax charges

Legislation to reduce the main rate of corporation tax from 20% to 18% by 1 April 2020 was substantively enacted on 26 October 2015. Deferred tax has been provided for at 18% in these accounts.

12. Tangible fixed assets

	Plant and machinery £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 January 2015	1,345,440	280,731	1,626,171
Additions	62,131	23,787	85,918
At 31 December 2015	1,407,571	304,518	1,712,089
Depreciation			
At 1 January 2015	1,203,247	244,422	1,447,669
Charge for the year	63,244	20,253	83,497
At 31 December 2015	1,266,491	264,675	1,531,166
At 31 December 2015	141,080	39,843	180,923
At 31 December 2014	142,193	36,309	178,502

Notes to the Financial Statements

For the year ended 31st December 2015

13. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2015	19,054
At 31 December 2015	<u>19,054</u>
Net Book Value	
At 31 December 2015	<u>19,054</u>
At 31 December 2014	<u>19,054</u>
Subsidiary undertakings	

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Edward Holmes Limited	England and Wales	Ordinary	100 %	Dormant company
Van-Dal Shoes Limited	England and Wales	Ordinary	100 %	Dormant company

Notes to the Financial Statements

For the year ended 31st December 2015

14. Stocks

	2015 £	2014 £
Raw materials and consumables	117,080	160,891
Work in progress	7,671	15,472
Finished goods and goods for resale	2,436,883	2,399,720
	<u>2,561,634</u>	<u>2,576,083</u>

An impairment loss of £195,021 (2014: £99,654) was recognised in raw materials and consumables against stock during the year due to slow-moving and obsolete stock.

Finished goods include an amount of £366,530 (2014: £388,102) which represents goods in transit from suppliers to the company.

15. Debtors

	2015 £	2014 £
Trade debtors	801,996	888,172
Amounts owed by group undertakings	1,590,658	1,287,891
Other debtors	20,970	9,132
Prepayments and accrued income	134,898	198,424
Deferred taxation	100,000	102,600
	<u>2,648,522</u>	<u>2,486,219</u>

16. Current asset investments

	2015 £	2014 £
Unlisted investments	<u>300</u>	<u>300</u>

Notes to the Financial Statements

For the year ended 31st December 2015

17. Cash and cash equivalents

	2015 £	2014 £
Cash at bank and in hand	<u>508,795</u>	<u>592,660</u>

18. Creditors: Amounts falling due within one year

	2015 £	2014 £
Trade creditors	658,314	580,054
Amounts owed to group undertakings	30,000	30,000
Taxation and social security	154,330	168,326
Other creditors	78,835	33,542
Accruals and deferred income	166,581	188,706
	<u>1,088,060</u>	<u>1,000,628</u>

19. Financial instruments

	2015 £	2014 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>2,413,924</u>	<u>2,185,495</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(858,664)</u>	<u>(824,439)</u>

Financial assets measured at amortised cost comprise trade debtors, group balances and other debtors and investments.

Financial liabilities that are equity instruments measured at cost less impairment comprise trade creditors, group balances, accruals and other creditors

Notes to the Financial Statements

For the year ended 31st December 2015

20. Deferred taxation

	Deferred tax £
At 1st January 2015	102,600
Charged to other comprehensive income	(2,600)
At 31st December 2015	100,000

The deferred tax asset is made up as follows:

	2015 £	2014 £
Tax losses carried forward	100,000	100,000
Pension surplus	-	2,600
	100,000	102,600

A deferred tax asset in respect of tax losses of £100,000 (2014: £100,000) has been recognised to reflect taxable profits that are expected to arise in the foreseeable future. Additional deferred tax assets in respect of tax losses of £274,717 (2014: £242,815) and other timing differences £89,567 (2014: £104,059) have not been recognised as it is not considered that these will be recoverable in the foreseeable future.

21. Provisions

	Dilapidations on leased property £
At 1st January 2015	79,000
Charged to the profit or loss	20,000
At 31st December 2015	99,000

Notes to the Financial Statements

For the year ended 31st December 2015

22. Reserves

Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses.

23. Share capital

	2015 £	2014 £
Authorised, allotted, called up and fully paid		
91,053 Ordinary shares of £1 each shares of £1 each	91,053	91,053
100 A ordinary shares of £1 each shares of £1 each	100	100
	<hr/>	<hr/>
	91,153	91,153
	<hr/>	<hr/>

24. Contingent liabilities

Indemnity has been given by the company to Barclays Bank Plc for up to £80,000 (2014 - £80,000) in respect of the Customs Duty Deferment Scheme regarding imports by the company.

25. Pension commitments

The Company operates a Defined benefit pension scheme.

The assets of this scheme are held separately from the company, being invested with insurance companies.

The scheme was closed to new entrants from 1 January 1998 and was closed to any further accrual from 31 December 2004. Since this date, benefits have been frozen and there have been no further employee contributions into the scheme.

As required by the Pensions Act 2004, the scheme is subject to independent valuation by a professionally qualified actuary at least every three years, on the basis of which the actuary certifies the rate of of employers contributions. The most recent actuarial valuation of the scheme was on 1 January 2013 by Friends Life Services Limited. This valuation showed scheme assets of £11,925,000 and liabilities of £12,736,000, leaving a deficit of £811,000, which after potential tax relief would reduce to £648,800.

Some obligations to pay pensions due from the scheme have been met by the purchase of annuities. The value of these annuities, which match exactly the pension obligation have been valued at £8,841,000 (2014: £9,321,000). No annuity value has been included in the asset and liability valuations shown in the note below.

The valuation of the scheme for FRS 102 accounting purposes was undertaken by Cartwright Group Limited, qualified independent actuaries as at 31 December 2015.

Notes to the Financial Statements

For the year ended 31st December 2015

25. Pension commitments (continued)

Reconciliation of present value of plan liabilities:

	2015 £	2014 £
At the beginning of the year	(1,980,000)	(1,927,000)
Interest cost	(62,000)	(78,000)
Actuarial losses	(6,000)	(242,000)
Benefits paid	515,000	262,000
Gain on settlement or curtailment	-	5,000
Derecognition of surplus	(248,000)	-
At the end of the year	(1,781,000)	(1,980,000)

Reconciliation of present value of plan assets:

	2015 £	2014 £
At the beginning of the year	1,967,000	1,927,000
Current service cost	(9,000)	-
Interest income	64,000	86,000
Actuarial gains	130,000	72,000
Contributions	144,000	144,000
Benefits paid	(515,000)	(262,000)
At the end of the year	1,781,000	1,967,000

Notes to the Financial Statements

For the year ended 31st December 2015

25. Pension commitments (continued)

	2015 £	2014 £
Fair value of plan assets	1,781,000	1,967,000
Present value of plan liabilities	(1,781,000)	(1,980,000)
Net pension scheme liability	-	(13,000)

The amounts recognised in profit or loss are as follows:

	2015 £	2014 £
Current service cost	(9,000)	-
Interest on obligation	2,000	8,000
Total	11,000	8,000

The cumulative amount of actuarial gains and losses recognised in the Statement of comprehensive income was £115,000 (2014 - loss of £274,000).

The Company expects to contribute £144,000 to its Defined benefit pension scheme in 2016.

	2015 £	2014 £
Analysis of actuarial gain/(loss) recognised in Other Comprehensive Income		
Actual return less interest income included in net interest income	121,000	72,000
Experience gains and losses arising on the scheme liabilities	(93,000)	(14,000)
Changes in assumptions underlying the present value of the scheme liabilities	87,000	(332,000)
	115,000	(274,000)

Notes to the Financial Statements

For the year ended 31st December 2015

25. Pension commitments (continued)

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

	2015	2014
Discount rate at 31 March	3.90 %	3.60 %
RPI assumption	3.20 %	3.10 %
LPI pension increases	3.10 %	3.00 %
Mortality	88-90	88-90

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

Defined benefit pension schemes

	2015 £	2014 £	2013 £	2012 £	2011 £
Defined benefit obligation	(1,533,000)	(1,980,000)	(1,927,000)	(1,846,000)	(1,973,000)
Scheme assets	1,781,000	1,967,000	1,927,000	1,836,000	1,778,000
Surplus/(deficit)	248,000	(13,000)	-	(10,000)	(195,000)
Experience adjustments on scheme liabilities	(93,000)	(14,000)	1,000	(40,000)	45,000
Experience adjustments on scheme assets	130,000	59,000	76,000	192,000	169,000
	37,000	45,000	77,000	152,000	214,000

Notes to the Financial Statements

For the year ended 31st December 2015

26. Commitments under operating leases

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

	2015 £	2014 £
Not later than 1 year	144,236	152,589
Later than 1 year and not later than 5 years	156,614	359,739
Total	300,850	512,328

27. Related party transactions

During the year the company traded with Vionic Europe Limited, a company in which AK Linford is a director. Transactions with Vionic Europe Limited are as follows:

	2015 £	2014 £
Sales	67,127	14,743
Purchases	156,209	3,563
Debtor	37,826	17,591
Creditor	4,880	-

28. Controlling party

The ultimate parent undertaking of The Florida Group Limited is The Little Norwich Shoe Company, which is incorporated and registered in the UK. There is no single ultimate controlling party.

Notes to the Financial Statements

For the year ended 31st December 2015

29. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not materially impacted on equity or profit or loss.