

**WEARWELL (UK) LIMITED**

**ABBREVIATED ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2015**



# **WEARWELL (UK) LIMITED**

## **COMPANY INFORMATION**

### **DIRECTORS**

B Greasley  
G Clayton  
C Rooney

### **COMPANY SECRETARY**

B Greasley

### **REGISTERED NUMBER**

02993093

### **REGISTERED OFFICE**

Gagarin, Lichfield Road  
Tamworth  
Staffordshire  
B79 7TR

### **INDEPENDENT AUDITORS**

Smith Cooper Limited  
Chartered Accountants & Statutory Auditors  
St Helen's House  
King Street  
Derby  
DE1 3EE

## **WEARWELL (UK) LIMITED**

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## **WEARWELL (UK) LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2015**

#### **BUSINESS REVIEW**

Within this report the directors aim to present a balanced and comprehensive review of the development and performance of the business during the year and its position at the period end. Our review is consistent with the size and nature of our business and is written in the context of the risks and uncertainties we face.

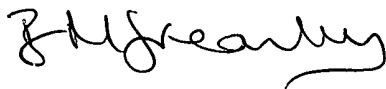
#### **PRINCIPAL RISKS AND UNCERTAINTIES**

Considering the risks and uncertainties the company has identified, we are aware that any plans for the future development of the business may be subject to unforeseen events outside our control.

#### **FINANCIAL KEY PERFORMANCE INDICATORS**

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover, gross margin, EBITDA, and cash flow.

This report was approved by the board on 12 September 2016 and signed on its behalf.



**B Greasley**  
Director

## **WEARWELL (UK) LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015**

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

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

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 they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company financial statements 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.

#### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £1,027,291 (2014 - £222,333).

A dividend of £137,581 was paid for the year.

#### **DIRECTORS**

The directors who served during the year were:

B Greasley  
G Clayton  
C Rooney

#### **FUTURE DEVELOPMENTS**

The company has been performing well recently and turnover has increased on consecutive years. Turnover is expected to remain at a consistent level.

#### **DISCLOSURE OF INFORMATION TO AUDITORS**

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 auditors are 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 auditors are aware of that information.

#### **POST BALANCE SHEET EVENTS**

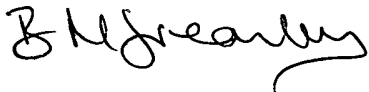
There have been no significant events affecting the Company since the year end.

**WEARWELL (UK) LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2015  
AUDITORS**

Under section 487(2) of the Companies Act 2006, Smith Cooper Limited will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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

A handwritten signature in black ink, appearing to read 'B Greasley', with a stylized flourish at the end.

**B Greasley**  
Director

Date: 12 September 2016

## **WEARWELL (UK) LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO WEARWELL (UK) LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006**

We have examined the abbreviated accounts set out on pages 5 to 14, together with the financial statements of Wearwell (UK) Limited for the year ended 31 December 2015 prepared under section 396 of the Companies Act 2006.

This report is made solely to the Company in accordance with section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in a special Auditors' 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, for our work, for this report, or for the opinions we have formed.

#### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the Company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the Company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

#### **OPINION**

In our opinion the Company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts on pages 6 to 14 have been properly prepared in accordance with the regulations made under that section.

Janet Morgan (Senior Statutory Auditor)  
for and on behalf of

**Smith Cooper Limited**

Chartered Accountants

Statutory Auditors

St Helen's House

King Street

Derby

DE1 3EE

Date: 12 September 2016

# WEARWELL (UK) LIMITED

## ABBREVIATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 £	2014 £
<b>Turnover</b>		<b>7,685,646</b>	6,591,593
Cost of sales		<b>(5,779,611)</b>	(5,678,015)
<b>GROSS PROFIT</b>		<b>1,906,035</b>	913,578
Administrative expenses		<b>(585,599)</b>	(593,240)
<b>OPERATING PROFIT</b>	3	<b>1,320,436</b>	320,338
Interest payable and expenses	5	<b>(20,145)</b>	(21,252)
<b>PROFIT BEFORE TAX</b>		<b>1,300,291</b>	299,086
Tax on profit		<b>(273,000)</b>	(76,753)
<b>PROFIT FOR THE YEAR</b>		<b>1,027,291</b>	222,333

There was no other comprehensive income for 2015 (2014:£NIL).

The notes on pages 7 to 14 form part of these financial statements.



**WEARWELL (UK) LIMITED**  
**REGISTERED NUMBER: 02993093**

**ABBREVIATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2015**

	Note	2015 £	2014 £
<b>FIXED ASSETS</b>			
Tangible assets	6	644,119	698,754
		<u>644,119</u>	<u>698,754</u>
<b>CURRENT ASSETS</b>			
Stocks	7	1,584,503	1,515,089
Debtors		3,970,532	3,415,931
Cash at bank and in hand		71,271	278
		<u>5,626,306</u>	<u>4,931,298</u>
Creditors: amounts falling due within one year	8	(1,663,232)	(1,906,839)
<b>NET CURRENT ASSETS</b>		<u>3,963,074</u>	<u>3,024,459</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>4,607,193</u>	<u>3,723,213</u>
Creditors: amounts falling due after more than one year	9	(512,930)	(540,351)
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred tax		(21,691)	-
		<u>(21,691)</u>	<u>-</u>
<b>NET ASSETS</b>		<u>4,072,572</u>	<u>3,182,862</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	146,178	146,178
Share premium account	12	132,943	132,943
Capital redemption reserve	12	71,463	71,463
Other reserves	12	692,696	692,696
Profit and loss account	12	3,029,292	2,139,582
		<u>4,072,572</u>	<u>3,182,862</u>

The abbreviated accounts, which have been prepared in accordance with the special provisions of section 445(3) of the Companies Act 2006 relating to medium-sized companies, were approved and authorised for issue by the board and were signed on its behalf on 12 September 2016

  
**B Greasley**  
 Director

The notes on pages 7 to 14 form part of these financial statements.

## **WEARWELL (UK) LIMITED**

### **NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2015**

#### **1. GENERAL INFORMATION**

Wearwell (UK) Limited is a private company limited by shares incorporated in England, United Kingdom. The address of the registered office is given in the company information page. The nature of the company's operations and principal activity is the manufacture and distribution of workwear clothing.

#### **2. ACCOUNTING POLICIES**

##### **2.1 Basis of preparation of financial statements**

The full financial statements, from which these abbreviated financial statements have been extracted, have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 15.

The financial statements are presented in GBP.

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 ).

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102:

- 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 33 Related Party Disclosures paragraph 33.7.

The following principal accounting policies have been applied:

##### **2.2 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.

## **WEARWELL (UK) LIMITED**

### **NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2015**

#### **2. ACCOUNTING POLICIES (continued)**

##### **2.3 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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:

The estimated useful lives range as follows:

Freehold Buildings	-	4% Straight Line
Plant & Machinery	-	10-20% Straight Line
Motor Vehicles	-	25% Straight Line
Office Equipment	-	10-33% Straight Line

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 Statement of Comprehensive Income.

##### **2.4 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

##### **2.5 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.

##### **2.6 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.

##### **2.7 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.

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**2. ACCOUNTING POLICIES (continued)**

**2.7 Financial instruments (continued)**

**2.8 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.

**2.9 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 resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account except when deferred in other comprehensive income as qualifying cash flow hedges.

**2.10 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.

**2.11 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

**2.12 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

## WEARWELL (UK) LIMITED

### NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2015

#### 2. ACCOUNTING POLICIES (continued)

##### 2.13 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 tax 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 tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

#### 3. OPERATING PROFIT

The operating profit is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets	78,834	79,160
Fees payable to the Company's auditor and its associates for the audit of the company's annual financial statements	12,000	10,000
Exchange differences	(76,159)	(35,078)
Defined contribution pension cost	4,735	1,780

During the year, no director received any emoluments (2014 - £NIL).

## WEARWELL (UK) LIMITED

### NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2015

#### 4. EMPLOYEES

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	787,798	729,167
Social security costs	23,069	24,026
Pension costs	4,735	1,780
	<u>815,602</u>	<u>754,973</u>

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

	2015 No.	2014 No.
Production and sales	45	47
Management and administration	15	14
	<u>60</u>	<u>61</u>

#### 5. INTEREST PAYABLE AND SIMILAR CHARGES

	2015 £	2014 £
Bank interest payable	20,145	21,252
	<u>20,145</u>	<u>21,252</u>

# WEARWELL (UK) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2015

### 6. TANGIBLE FIXED ASSETS

	Freehold property £	Plant & Machinery £	Motor Vehicles £	Office Equipment £	Total £
<b>COST OR VALUATION</b>					
At 1 January 2015	876,257	398,116	67,360	234,178	1,575,911
Additions	-	-	21,500	4,115	25,615
Disposals	-	-	(20,000)	-	(20,000)
At 31 December 2015	876,257	398,116	68,860	238,293	1,581,526
<b>DEPRECIATION</b>					
At 1 January 2015	360,827	258,472	46,523	211,334	877,156
Charge owned for the period	28,585	26,955	9,892	13,402	78,834
Disposals	-	-	(18,583)	-	(18,583)
At 31 December 2015	389,412	285,427	37,832	224,736	937,407
<b>NET BOOK VALUE</b>					
At 31 December 2015	486,845	112,689	31,028	13,557	644,119
At 31 December 2014	515,430	139,643	20,837	22,844	698,754

Tangible fixed assets with a carrying value of £644,119 (2014: £698,754) are pledged as security for the company's bank loans.

### 7. STOCKS

	2015 £	2014 £
Raw materials and consumables	201,569	200,467
Work in progress (goods to be sold)	786,111	759,323
Finished goods and goods for resale	596,823	555,299
	1,584,503	1,515,089

Stock recognised in cost of sales during the year as an expense was £4,848,990 (2014: £3,892,807).

An impairment loss of £109,388 (2015: £15,572) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

The total carrying amount of stock is pledged as security for the company's bank loans.

# WEARWELL (UK) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2015

### 8. CREDITORS: Amounts falling due within one year

	2015 £	2014 £
Bank overdrafts	-	350,774
Bank loans	49,689	63,483
Trade creditors	1,182,833	1,007,137
Corporation tax	209,766	105,999
Taxation and social security	178,253	105,421
Other creditors	261	32
Accruals and deferred income	42,430	273,993
	<b>1,663,232</b>	<b>1,906,839</b>

### 9. CREDITORS: Amounts falling due after more than one year

	2015 £	2014 £
Bank loans	512,930	540,351
	<b>512,930</b>	<b>540,351</b>

#### Secured loans

The bank loan is for a period of 19 years and 5 months and is repayable in equal monthly installments. Interest on the loan is charged at a rate of 2.36% over the bank base rate.

The bank loan and overdraft are secured by a mortgage over the freehold property and by a fixed and floating charge over the assets of the company.

### 10. LOANS

Analysis of the maturity of loans is given below:

	2015 £	2014 £
<b>AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
Bank loans	49,689	63,483
<b>AMOUNTS FALLING DUE 1-2 YEARS</b>		
Bank loans	42,881	47,296
<b>AMOUNTS FALLING DUE 2-5 YEARS</b>		
Bank loans	136,245	147,278
<b>AMOUNTS FALLING DUE AFTER MORE THAN 5 YEARS</b>		
Bank loans	333,806	345,777



## WEARWELL (UK) LIMITED

### NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2015

#### 11. SHARE CAPITAL

	2015 £	2014 £
<b>Authorised, allotted, called up and fully paid</b>		
146,178 Ordinary shares shares of £1 each	<b>146,178</b>	146,178

#### 12. RESERVES

##### Share premium

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

##### Capital redemption reserve

This reserve records the nominal value of shares repurchased by the company.

##### Other reserves

The other reserve arose on the acquisition of the business and represents the excess value of the net assets acquired over the amount paid.

##### Profit & loss account

Includes all current and prior period distributable retained profits and losses.

#### 13. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £4,735 (2014: £1,780). Contributions totalling £nil (2014: £nil) were payable to the fund at the balance sheet date.

#### 14. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

As at 31 December 2015, the immediate and ultimate parent undertaking was Wearwell Group Limited, a company registered in England. Consolidated financial statements are publically available from Companies House.

At 31 December 2015, the ultimate controlling party was by Mrs B Greasley by virtue of her 50.25% interest in the equity capital of Wearwell Group Limited.

#### 15. 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 impacted on equity or profit or loss.

**WEARWELL (UK) LIMITED**

**SCHEDULE TO THE DETAILED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**