

REGISTERED NUMBER: 04910073 (England and Wales)

Goliath Footwear Limited

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

Year Ended 31 December 2013



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

Goliath Footwear Limited

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Goliath Footwear Limited

Company Information for the year ended 31 December 2013

DIRECTORS:	Mr L Gulcan Mr A V Yakupoglu
SECRETARY:	Mr L Gulcan
REGISTERED OFFICE:	Goliath House Chain Bar Road Cleckheaton West Yorkshire BD19 3QF
REGISTERED NUMBER:	04910073 (England and Wales)
AUDITORS:	Jolliffe Cork LLP Chartered Accountants & Statutory Auditor 33 George Street Wakefield West Yorkshire WF1 1LX
BANKERS:	HSBC Bank PLC 66 Westgate Wakefield WF1 1XB

Goliath Footwear Limited

Strategic Report for the year ended 31 December 2013

The Directors are pleased with the results for the year with all key performance indicators showing a great improvement; turnover has increased by 75% to £11.49million and profits by 13.5% to £585,000.

The mix of sales has changed and we now have major contracts that are made at a lower margin and the gross profit percentage is lower as a result. Shareholders' funds have increased from £1.5million to £2million and the company has the full support of its parent company.

The Directors have considered the risks that the company faces. The company insures its credit risk with customers and does extensive research into a company before it is given credit terms. The company is exposed to price risk and in particular to the cost of leather and materials. The management reacts quickly to these issues and reviews its prices to customers, revising where appropriate.

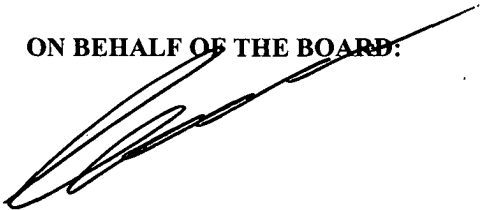
The company does not have a policy of hedging as prices are fixed on an annual basis from the manufacturer.

The management constantly monitor the liquid resources of the company and prepare a weekly cash flow, acting quickly to resolve any potential pinch points. The parent company is very supportive as required on cash flow issues.

The principal risks are technological issues and improvements in design. We work closely with the parent company to supply the products that customers want and are receptive to clients' demands on our products, developing tailored solutions and in some cases have innovative solutions.

The Directors are expecting a further increase in turnover and profitability in the forthcoming year.

ON BEHALF OF THE BOARD:



Mr L Gulcan - Secretary

30 June 2014

Goliath Footwear Limited

Report of the Directors for the year ended 31 December 2013

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

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a supplier of footwear for the working environment.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2013.

DIRECTORS

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

Mr L Gulcan
Mr A V Yakupoglu

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 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 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 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.


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 company'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 company's auditors are aware of that information.

AUDITORS

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

ON BEHALF OF THE BOARD:



Mr L Gulcan - Secretary

30 June 2014

Report of the Independent Auditors to the Members of Goliath Footwear Limited

We have audited the financial statements of Goliath Footwear Limited for the year ended 31 December 2013 on pages six to eighteen. 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 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 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 Goliath Footwear 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.

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

30 June 2014

Goliath Footwear Limited

Profit and Loss Account for the year ended 31 December 2013

	Notes	2013 £	2012 £
TURNOVER		11,492,354	6,565,927
Cost of sales		<u>9,078,025</u>	<u>4,674,760</u>
GROSS PROFIT		2,414,329	1,891,167
Distribution costs		976,777	787,236
Administrative expenses		<u>796,647</u>	<u>794,785</u>
		1,773,424	1,582,021
OPERATING PROFIT	3	640,905	309,146
Interest receivable and similar income		<u>46</u>	<u>5</u>
		640,951	309,151
Interest payable and similar charges	4	<u>55,899</u>	<u>60,515</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		585,052	248,636
Tax on profit on ordinary activities	5	<u>141,314</u>	<u>62,992</u>
PROFIT FOR THE FINANCIAL YEAR		<u>443,738</u>	<u>185,644</u>

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year.

The notes on pages 11 to 18 form part of these financial statements

Goliath Footwear Limited (Registered number: 04910073)

**Balance Sheet
31 December 2013**

		2013	2012
	Notes	£	£
FIXED ASSETS			
Intangible assets	6	611	666
Tangible assets	7	<u>557,408</u>	<u>317,086</u>
		558,019	317,752
CURRENT ASSETS			
Stocks	8	3,382,982	2,524,492
Debtors	9	2,351,721	1,312,020
Cash at bank and in hand		<u>221,276</u>	<u>171,647</u>
		5,955,979	4,008,159
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	10	<u>3,905,644</u>	<u>2,210,434</u>
NET CURRENT ASSETS		<u>2,050,335</u>	<u>1,797,725</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,608,354	2,115,477
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	11	(500,000)	(500,000)
PROVISIONS FOR LIABILITIES	13	<u>(77,357)</u>	<u>(28,218)</u>
NET ASSETS		<u>2,030,997</u>	<u>1,587,259</u>

The notes on pages 11 to 18 form part of these financial statements

Goliath Footwear Limited (Registered number: 04910073)

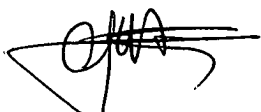
Balance Sheet - continued
31 December 2013

	Notes	2013 £	£	2012 £	£
CAPITAL AND RESERVES					
Called up share capital	14		1,000,000		1,000,000
Profit and loss account	15		<u>1,030,997</u>		<u>587,259</u>
SHAREHOLDERS' FUNDS	18		<u>2,030,997</u>		<u>1,587,259</u>

The financial statements were approved by the Board of Directors on 30 June 2014 and were signed on its behalf by:



Mr L Gulcan - Director



Mr A V Yakupoglu - Director

The notes on pages 11 to 18 form part of these financial statements

Goliath Footwear Limited

Cash Flow Statement for the year ended 31 December 2013

	Notes	2013 £	2012 £
Net cash inflow from operating activities	1	497,464	181,671
Returns on investments and servicing of finance	2	(55,853)	(60,510)
Taxation		(67,046)	(30,925)
Capital expenditure	2	<u>(324,936)</u>	<u>(49,088)</u>
Increase in cash in the period		<u>49,629</u>	<u>41,148</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
Increase in cash in the period		<u>49,629</u>	<u>41,148</u>
Change in net funds resulting from cash flows		<u>49,629</u>	<u>41,148</u>
Movement in net funds in the period		49,629	41,148
Net funds at 1 January		<u>171,647</u>	<u>130,499</u>
Net funds at 31 December		<u>221,276</u>	<u>171,647</u>

The notes on pages 11 to 18 form part of these financial statements

Goliath Footwear Limited

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

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2013 £	2012 £
Operating profit	640,905	309,146
Depreciation charges	79,537	63,463
Loss on disposal of fixed assets	5,132	-
Increase in stocks	(858,490)	(839,517)
Increase in debtors	(1,039,701)	(249,651)
Increase in creditors	<u>1,670,081</u>	<u>898,230</u>
Net cash inflow from operating activities	<u>497,464</u>	<u>181,671</u>

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

	2013 £	2012 £
Returns on investments and servicing of finance		
Interest received	46	5
Interest paid	<u>(55,899)</u>	<u>(60,515)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(55,853)</u>	<u>(60,510)</u>
Capital expenditure		
Purchase of tangible fixed assets	(332,186)	(49,088)
Sale of tangible fixed assets	<u>7,250</u>	<u>-</u>
Net cash outflow for capital expenditure	<u>(324,936)</u>	<u>(49,088)</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.13 £	Cash flow £	At 31.12.13 £
Net cash:			
Cash at bank and in hand	<u>171,647</u>	<u>49,629</u>	<u>221,276</u>
	<u>171,647</u>	<u>49,629</u>	<u>221,276</u>
Total	<u>171,647</u>	<u>49,629</u>	<u>221,276</u>

The notes on pages 11 to 18 form part of these financial statements

Goliath Footwear Limited

Notes to the Financial Statements for the year ended 31 December 2013

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.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful of economic life of that asset as follows:

Trademarks	- 5% on cost
Website	- 33% on cost

Tangible fixed assets

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

Moulds and lasts	- 20% on cost
Warehouse fixtures and fittings	- 20% on cost and 2% on cost
Office equipment	- 20% on cost
Furniture & Fittings	- 20% on cost
Computer equipment	- 33% on cost

All fixed assets are initially recorded at cost.

Stocks

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

Deferred tax

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

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Goliath Footwear Limited

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

2. STAFF COSTS

	2013	2012
	£	£
Wages and salaries	622,422	576,927
Social security costs	71,761	61,998
Other pension costs	78,460	-
	<u>772,643</u>	<u>638,925</u>

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

	2013	2012
Administration	7	6
Warehouse and Distribution	5	4
Sales	7	6
	<u>19</u>	<u>16</u>

3. OPERATING PROFIT

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

	2013	2012
	£	£
Other operating leases	144,000	142,000
Depreciation - owned assets	79,482	63,412
Loss on disposal of fixed assets	5,132	-
Trademarks amortisation	55	55
Auditors' remuneration	4,950	4,750
Foreign exchange differences	<u>(19,887)</u>	<u>41,573</u>
Directors' remuneration	<u>-</u>	<u>-</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2013	2012
	£	£
Interest on overdue invoices	55,899	60,478
Interest paid to HM revenue and customs	-	37
	<u>55,899</u>	<u>60,515</u>

Goliath Footwear Limited

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

5. TAXATION

Analysis of the tax charge

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

	2013 £	2012 £
Current tax:		
UK corporation tax	92,175	67,046
Deferred tax	<u>49,139</u>	<u>(4,054)</u>
Tax on profit on ordinary activities	<u>141,314</u>	<u>62,992</u>

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2013 £	2012 £
Profit on ordinary activities before tax	<u>585,052</u>	<u>248,636</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.053% (2012 - 23.639%)	134,872	58,775
Effects of:		
Expenses not deductible for tax purposes	1,573	3,032
Capital allowances in excess of depreciation	(44,444)	-
Depreciation in excess of capital allowances	-	5,239
Marginal relief	(812)	-
Effect of rate change	<u>986</u>	<u>-</u>
Current tax charge	<u>92,175</u>	<u>67,046</u>

Goliath Footwear Limited

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

6. INTANGIBLE FIXED ASSETS

	Trademarks £
COST	
At 1 January 2013	
and 31 December 2013	<u>1,106</u>
AMORTISATION	
At 1 January 2013	440
Amortisation for year	<u>55</u>
At 31 December 2013	<u>495</u>
NET BOOK VALUE	
At 31 December 2013	<u>611</u>
At 31 December 2012	<u>666</u>

7. TANGIBLE FIXED ASSETS

	Moulds and lasts £	Warehouse fixtures and fittings £	Office equipment £
COST			
At 1 January 2013	222,218	257,819	28,846
Additions	<u>290,661</u>	<u>3,922</u>	<u>-</u>
At 31 December 2013	<u>512,879</u>	<u>261,741</u>	<u>28,846</u>
DEPRECIATION			
At 1 January 2013	75,820	106,002	27,051
Charge for year	55,804	15,646	577
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2013	<u>131,624</u>	<u>121,648</u>	<u>27,628</u>
NET BOOK VALUE			
At 31 December 2013	<u>381,255</u>	<u>140,093</u>	<u>1,218</u>
At 31 December 2012	<u>146,398</u>	<u>151,817</u>	<u>1,795</u>

Goliath Footwear Limited

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

7. TANGIBLE FIXED ASSETS - continued

	Furniture & Fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 January 2013	2,753	24,500	68,498	604,634
Additions	2,730	-	34,873	332,186
Disposals	-	(24,500)	-	(24,500)
At 31 December 2013	<u>5,483</u>	<u>-</u>	<u>103,371</u>	<u>912,320</u>
DEPRECIATION				
At 1 January 2013	2,446	11,580	64,649	287,548
Charge for year	672	538	6,245	79,482
Eliminated on disposal	-	(12,118)	-	(12,118)
At 31 December 2013	<u>3,118</u>	<u>-</u>	<u>70,894</u>	<u>354,912</u>
NET BOOK VALUE				
At 31 December 2013	<u>2,365</u>	<u>-</u>	<u>32,477</u>	<u>557,408</u>
At 31 December 2012	<u>307</u>	<u>12,920</u>	<u>3,849</u>	<u>317,086</u>

8. STOCKS

	2013 £	2012 £
Stocks	<u>3,382,982</u>	<u>2,524,492</u>

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Trade debtors	2,310,331	1,234,211
Other debtors	-	5,167
VAT	-	23,613
Prepayments and accrued income	<u>41,390</u>	<u>49,029</u>
	<u>2,351,721</u>	<u>1,312,020</u>

Goliath Footwear Limited

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

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	2012
	£	£
Trade creditors	80,901	95,742
Amounts owed to group undertakings	3,472,286	1,951,513
Tax	92,175	67,046
Social security and other taxes	33,977	43,806
VAT	125,504	-
Other creditors	66,251	47,527
Accruals and deferred income	34,550	4,800
	<u>3,905,644</u>	<u>2,210,434</u>

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

	2013	2012
	£	£
Amounts owed to group undertakings	<u>500,000</u>	<u>500,000</u>

12. OPERATING LEASE COMMITMENTS

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

	Land and buildings		Motor Vehicles	
	2013	2012	2013	2012
	£	£	£	£
Expiring:				
Within one year	144,000	144,000	7,796	1,445
Between one and five years	<u>-</u>	<u>-</u>	<u>25,392</u>	<u>17,653</u>
	<u>144,000</u>	<u>144,000</u>	<u>33,188</u>	<u>19,098</u>

13. PROVISIONS FOR LIABILITIES

	2013	2012
	£	£
Deferred tax	<u>77,357</u>	<u>28,218</u>
		Deferred tax
		£
Balance at 1 January 2013		28,218
Accelerated capital allowances		<u>49,139</u>
Balance at 31 December 2013		<u>77,357</u>

Goliath Footwear Limited

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

14. CALLED UP SHARE CAPITAL

Allotted and issued:		Nominal value: £1	2013 £	2012 £
Number:	Class:			
1,000,000	Ordinary		<u>1,000,000</u>	<u>1,000,000</u>

15. RESERVES

	Profit and loss account £
At 1 January 2013	587,259
Profit for the year	<u>443,738</u>
At 31 December 2013	<u>1,030,997</u>

16. ULTIMATE PARENT COMPANY

The directors are of the opinion that the ultimate parent company during the current and previous period was Yakupoglu Tekstil Ve Deri Sanayi Ticaret Anomin Sirketi, a company registered in Turkey.

17. RELATED PARTY DISCLOSURES

During the year the company undertook the following transactions with Yakupoglu Tekstil Ve Deri Sanayi Ticaret Anomin Sirketi a company registered in Turkey in which the directors have a participating interest.

	2013 £	2012 £
Purchases	10,369,179	5,695,166
Amounts payable	3,972,286	2,451,513
Interest charged	55,899	60,478
Contribution to overheads	<u>13,990</u>	<u>-</u>

Of the amounts payable stated above, the directors consider £500,000 to be a long term liability.

During the year the company undertook the following transactions with Cleckheaton Warehouse Company Limited, a company in which the directors have a participating interest.

Rent paid	<u>144,000</u>	<u>144,000</u>
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Goliath Footwear Limited

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

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013	2012
	£	£
Profit for the financial year	<u>443,738</u>	<u>185,644</u>
Net addition to shareholders' funds	443,738	185,644
Opening shareholders' funds	<u>1,587,259</u>	<u>1,401,615</u>
Closing shareholders' funds	<u><u>2,030,997</u></u>	<u><u>1,587,259</u></u>