

Goliath Footwear Limited
Strategic Report, Report of the Directors and
Financial Statements
Year Ended 31 December 2014

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 2014

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 2014

The Directors are pleased with the results for the year with all key performance indicators showing a great improvement; turnover has increased to £16.87m from £11.49m in 2013 and profits from £585,000 to £618,000.

However, throughout 2014 there has been significant increases in the price of raw materials and labour costs in the factory. After a thorough review of the effect this would have on UK pricing it was found that the revised prices we would need to charge to our customers would make it very difficult to be competitive. The parent company has decided to reduce the level of activity in the UK, but still maintain a base to support our existing military and emergency services business.

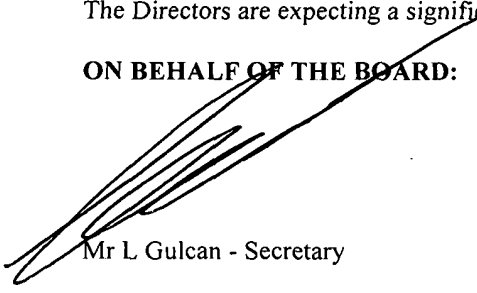
The Directors have considered the remaining risks that the company faces. The company insures its credit risk with customers although this risk will be significantly lower than previous years due to the majority of contracts and supply is to Government departments. The company is still exposed to price risk and in particular to the cost of leather and materials. The management reacts quickly and will continue to review its prices to customers, revising where appropriate.

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 Directors are expecting a significant reduction in turnover for 2015 and 2016.

ON BEHALF OF THE BOARD:



Mr L Gulcan - Secretary

24 July 2015

Goliath Footwear Limited

Report of the Directors for the year ended 31 December 2014

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

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 2014.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2014 to the date of this report.

Mr 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.

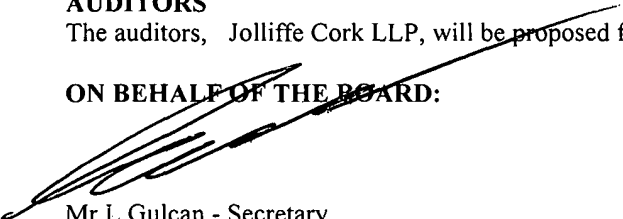
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

24 July 2015

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 2014 on pages six to seventeen. 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 2014 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 FCA (Senior Statutory Auditor)
for and on behalf of Jolliffe Cork LLP
Chartered Accountants & Statutory Auditor
33 George Street
Wakefield
West Yorkshire
WF1 1LX

24 July 2015

Goliath Footwear Limited

Profit and Loss Account for the year ended 31 December 2014

	Notes	2014 £	2013 £
TURNOVER		16,873,045	11,492,354
Cost of sales		<u>14,507,949</u>	<u>9,078,025</u>
GROSS PROFIT		2,365,096	2,414,329
Distribution costs		1,196,401	976,777
Administrative expenses		<u>999,357</u>	<u>796,647</u>
		2,195,758	1,773,424
OPERATING PROFIT	3	169,338	640,905
Interest receivable and similar income		<u>7</u>	<u>46</u>
		169,345	640,951
Interest payable and similar charges	4	<u>58,471</u>	<u>55,899</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		110,874	585,052
Tax on profit on ordinary activities	5	<u>30,944</u>	<u>141,314</u>
PROFIT FOR THE FINANCIAL YEAR		<u>79,930</u>	<u>443,738</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 17 form part of these financial statements

Goliath Footwear Limited (Registered number: 04910073)

Balance Sheet
31 December 2014

		2014		2013	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	6		555		611
Tangible assets	7		<u>711,124</u>		<u>557,408</u>
			711,679		558,019
CURRENT ASSETS					
Stocks	8	2,285,840		3,382,982	
Debtors	9	3,472,074		2,351,721	
Cash at bank and in hand		<u>499,402</u>		<u>221,276</u>	
		6,257,316		5,955,979	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	10	<u>4,249,767</u>		<u>3,905,644</u>	
NET CURRENT ASSETS			<u>2,007,549</u>		<u>2,050,335</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,719,228		2,608,354
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	11		(500,000)		(500,000)
PROVISIONS FOR LIABILITIES	13		<u>(108,301)</u>		<u>(77,357)</u>
NET ASSETS			<u><u>2,110,927</u></u>		<u><u>2,030,997</u></u>

The notes on pages 11 to 17 form part of these financial statements

Goliath Footwear Limited (Registered number: 04910073)

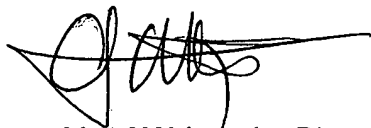
Balance Sheet - continued
31 December 2014

	Notes	2014 £	2013 £
CAPITAL AND RESERVES			
Called up share capital	14	1,000,000	1,000,000
Profit and loss account	15	<u>1,110,927</u>	<u>1,030,997</u>
SHAREHOLDERS' FUNDS	18	<u>2,110,927</u>	<u>2,030,997</u>

The financial statements were approved by the Board of Directors on 24 July 2015 and were signed on its behalf by:



Mr L Gulcan - Director



Mr A V Yakupoglu - Director

The notes on pages 11 to 17 form part of these financial statements

Goliath Footwear Limited

Cash Flow Statement for the year ended 31 December 2014

	Notes	2014 £	2013 £
Net cash inflow from operating activities	1	720,115	497,464
Returns on investments and servicing of finance	2	(58,464)	(55,853)
Taxation		(92,175)	(67,046)
Capital expenditure	2	(291,350)	(324,936)
Increase in cash in the period		<u>278,126</u>	<u>49,629</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
Increase in cash in the period		<u>278,126</u>	<u>49,629</u>
Change in net funds resulting from cash flows		<u>278,126</u>	<u>49,629</u>
Movement in net funds in the period		278,126	49,629
Net funds at 1 January		<u>221,276</u>	<u>171,647</u>
Net funds at 31 December		<u>499,402</u>	<u>221,276</u>

The notes on pages 11 to 17 form part of these financial statements

Goliath Footwear Limited

Notes to the Cash Flow Statement for the year ended 31 December 2014

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

	2014	2013
	£	£
Operating profit	169,338	640,905
Depreciation charges	137,688	79,537
Loss on disposal of fixed assets	-	5,132
Decrease/(increase) in stocks	1,097,142	(858,490)
Increase in debtors	(1,120,353)	(1,039,701)
Increase in creditors	436,300	1,670,081
Net cash inflow from operating activities	<u>720,115</u>	<u>497,464</u>

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

	2014	2013
	£	£
Returns on investments and servicing of finance		
Interest received	7	46
Interest paid	(58,471)	(55,899)
Net cash outflow for returns on investments and servicing of finance	<u>(58,464)</u>	<u>(55,853)</u>
Capital expenditure		
Purchase of tangible fixed assets	(291,350)	(332,186)
Sale of tangible fixed assets	-	7,250
Net cash outflow for capital expenditure	<u>(291,350)</u>	<u>(324,936)</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.14	Cash flow	At
	£	£	31.12.14
			£
Net cash:			
Cash at bank and in hand	<u>221,276</u>	<u>278,126</u>	<u>499,402</u>
	<u>221,276</u>	<u>278,126</u>	<u>499,402</u>
Total	<u>221,276</u>	<u>278,126</u>	<u>499,402</u>

The notes on pages 11 to 17 form part of these financial statements

Goliath Footwear Limited

Notes to the Financial Statements for the year ended 31 December 2014

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

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

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.

2. STAFF COSTS

	2014	2013
	£	£
Wages and salaries	661,070	622,422
Social security costs	83,531	71,761
Other pension costs	88,244	78,460
	<u>832,845</u>	<u>772,643</u>

Goliath Footwear Limited

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

2. STAFF COSTS - continued

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

	2014	2013
Administration	10	7
Warehouse and Distribution	5	5
Sales	<u>6</u>	<u>7</u>
	<u>21</u>	<u>19</u>

3. OPERATING PROFIT

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

	2014	2013
	£	£
Other operating leases	144,000	144,000
Depreciation - owned assets	137,634	79,482
Loss on disposal of fixed assets	-	5,132
Trademarks amortisation	56	55
Auditors' remuneration	6,050	4,950
Foreign exchange differences	<u>56,797</u>	<u>(19,887)</u>

Directors' remuneration	<u>-</u>	<u>-</u>
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4. INTEREST PAYABLE AND SIMILAR CHARGES

	2014	2013
	£	£
Interest on overdue invoices	<u>58,471</u>	<u>55,899</u>

5. TAXATION

Analysis of the tax charge

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

	2014	2013
	£	£
Current tax:		
UK corporation tax	-	92,175
Deferred tax	<u>30,944</u>	<u>49,139</u>
Tax on profit on ordinary activities	<u>30,944</u>	<u>141,314</u>

Goliath Footwear Limited

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

5. TAXATION - continued

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:

	2014 £	2013 £
Profit on ordinary activities before tax	<u>110,874</u>	<u>585,052</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2013 - 23.053%)	22,175	134,872
Effects of:		
Expenses not deductible for tax purposes	2,731	1,573
Capital allowances in excess of depreciation	(35,308)	(44,444)
Marginal relief	-	(812)
Effect of rate change	-	986
Loss carry back	<u>10,402</u>	-
Current tax charge	<u>-</u>	<u>92,175</u>

6. INTANGIBLE FIXED ASSETS

	Trademarks £
COST	
At 1 January 2014 and 31 December 2014	<u>1,106</u>
AMORTISATION	
At 1 January 2014	495
Amortisation for year	<u>56</u>
At 31 December 2014	<u>551</u>
NET BOOK VALUE	
At 31 December 2014	<u>555</u>
At 31 December 2013	<u>611</u>

Goliath Footwear Limited

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

7. TANGIBLE FIXED ASSETS

	Moulds and lasts £	Warehouse fixtures and fittings £	Office equipment £
COST			
At 1 January 2014	512,879	261,741	28,846
Additions	<u>282,647</u>	<u>4,158</u>	<u>175</u>
At 31 December 2014	<u>795,526</u>	<u>265,899</u>	<u>29,021</u>
DEPRECIATION			
At 1 January 2014	131,624	121,648	27,628
Charge for year	<u>108,959</u>	<u>13,689</u>	<u>584</u>
At 31 December 2014	<u>240,583</u>	<u>135,337</u>	<u>28,212</u>
NET BOOK VALUE			
At 31 December 2014	<u>554,943</u>	<u>130,562</u>	<u>809</u>
At 31 December 2013	<u>381,255</u>	<u>140,093</u>	<u>1,218</u>
	Furniture & Fittings £	Computer equipment £	Totals £
COST			
At 1 January 2014	5,483	103,371	912,320
Additions	<u>750</u>	<u>3,620</u>	<u>291,350</u>
At 31 December 2014	<u>6,233</u>	<u>106,991</u>	<u>1,203,670</u>
DEPRECIATION			
At 1 January 2014	3,118	70,894	354,912
Charge for year	<u>735</u>	<u>13,667</u>	<u>137,634</u>
At 31 December 2014	<u>3,853</u>	<u>84,561</u>	<u>492,546</u>
NET BOOK VALUE			
At 31 December 2014	<u>2,380</u>	<u>22,430</u>	<u>711,124</u>
At 31 December 2013	<u>2,365</u>	<u>32,477</u>	<u>557,408</u>

8. STOCKS

	2014 £	2013 £
Stocks	<u>2,285,840</u>	<u>3,382,982</u>

Goliath Footwear Limited

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

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£	£
Trade debtors	3,428,332	2,310,331
Prepayments and accrued income	43,742	41,390
	<u>3,472,074</u>	<u>2,351,721</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£	£
Trade creditors	121,387	80,901
Amounts owed to group undertakings	3,879,017	3,472,286
Tax	-	92,175
Social security and other taxes	29,239	33,977
VAT	75,014	125,504
Other creditors	115,477	66,251
Accruals and deferred income	29,633	34,550
	<u>4,249,767</u>	<u>3,905,644</u>

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

	2014	2013
	£	£
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	
	2014	2013	2014	2013
	£	£	£	£
Expiring:				
Within one year	144,000	144,000	-	7,796
Between one and five years	-	-	32,835	25,392
	<u>144,000</u>	<u>144,000</u>	<u>32,835</u>	<u>33,188</u>

13. PROVISIONS FOR LIABILITIES

	2014	2013
	£	£
Deferred tax	<u>108,301</u>	<u>77,357</u>

Goliath Footwear Limited

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

13. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1 January 2014	77,357
Accelerated capital allowances	<u>30,944</u>
Balance at 31 December 2014	<u>108,301</u>

14. CALLED UP SHARE CAPITAL

Allotted and issued:		Nominal value: £1	2014 £	2013 £
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 2014	1,030,997
Profit for the year	<u>79,930</u>
At 31 December 2014	<u>1,110,927</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.

Goliath Footwear Limited

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

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.

	2014 £	2013 £
Purchases	13,899,354	10,369,179
Amounts payable	4,379,017	3,972,286
Interest charged	58,471	55,899
Contribution to overheads	<u>23,525</u>	<u>13,990</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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18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014 £	2013 £
Profit for the financial year	<u>79,930</u>	<u>443,738</u>
Net addition to shareholders' funds	79,930	443,738
Opening shareholders' funds	<u>2,030,997</u>	<u>1,587,259</u>
Closing shareholders' funds	<u>2,110,927</u>	<u>2,030,997</u>