

F&R Group (UK) 2 Limited
(formerly B.T.C. Activewear Holdings Limited)

Strategic report, directors' report and financial statements

For the year ended 31 December 2022

Company Information

Directors	S M Pope C-J Forsberg (resigned 19 June 2023) D Collignon
Registered number	07145431
Registered office	Point 1 Opus 9 Axletree Way Wednesbury WS10 9QY
Independent auditors	Ernst & Young LLP No 1 Colmore Square Birmingham B4 6HQ

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Strategic report

For the year ended 31 December 2022

Principal activity and review of the business

For the majority of the period the principal activity of the company remained to be an intermediate holding company but on the 2 September 2022, the company sold its investment in its subsidiary undertaking, B.T.C Activewear Limited for a consideration of £32m. Subsequent to the transaction, the company declared a dividend of £29m to its shareholders. Following the balance sheet date, the company has been placed into members voluntary liquidation, the impact of which is that these financial statements have been prepared on a break up basis. In saying that, there has been no financial effect on the numbers reported in these financial statements as a result of this basis of preparation taken.

In accordance with their duties and S172 of the Companies Act, the board of directors consider, both individually and together, that they have acted in a way which would be most likely to promote the success of F&R Group (UK) 2 Limited for the benefit of its members as a whole and in doing so have had regard to the likely consequences of any decisions in the long-term, the interests of the group's employees, business relationships and others.

Prior to the transaction the directors believe that their behaviour was aligned with the expectations of our people, clients, investors and wider communities. For our business to succeed we managed our people's performance and developed their talent while ensuring we operated as efficiently as possible. Our values had always been Honesty, Trust and Respect, Vision, Leadership, Integrity and Team Spirit. We believe in a work environment based on truthfulness and honesty and a healthy work life balance for our people. We work together and support our team to shape a better future for all and we realise the potential of our teams through mentoring and coaching. We adhered to all legislation appropriate to the business including modern slavery, and human trafficking supply chain integrity.

Community and environment

Prior to the transaction the group has always prided itself on being able to use our position of strength to create positive change for the people and communities with which we interact. We have worked with local schools to help improve employability skills among young people and we had donated where possible to local and national charities. As a group we demonstrated corporate and social responsibility activities and had implemented policy and procedures around recycling paper and plastics we use, using paperless technology where possible, reducing carbon footprint with the introduction of cycle to work schemes, movement sensors in offices and overnight lighting shutdown to reduce waste energy consumption.

Business relationships

Our strategy for the group prioritises organic growth driven by the increase of our customer base, but importantly the updating and enhancement of our product offering. To do this we foster strong customer relationships, founded on our past reputation within the market place. We value all of our supply chains and as a multi-brand distributor, we take the ethical credentials of our supply chain very seriously and look to work with brands and manufacturers who are members of the following organisations, FairLabor Association, Fair Wear Foundation, Confidence in Textiles, Sedex and WRAP (Worldwide Responsible Accredited Production). All ethical credentials can be seen from our website, www.btcactivewear.co.uk. We define principal decisions as both those that are material to the group, but also those that are significant to any of our key stakeholder groups. In making principal decisions the Board considers the outcome from its stakeholder engagement as well as the need to maintain a reputation for high standards and business conduct and the need to act fairly between the members of the company. The directors consider that the principal decisions during the year were the sale of its subsidiary and its subsequent distribution of funds to its shareholders and at all times, the directors considered that they had acted in good faith, to promote the success of the companies and had carried out their duties in accordance with company law. As the group transitions to new owners, many staff remain and as such all of the above initiatives and strategies will continue for the furtherance of all involved.

Financial instruments

The company's financial risk management objectives were to ensure sufficient working capital for its current needs. Currently the only material financial instrument was cash, which is managed by the board.

Strategic report (continued)

For the year ended 31 December 2022

Principal risks and uncertainties

Due to the holding company status, there are no material exposures of the Company relating to principal risks and uncertainties.

This report was approved by the board on 28 September 2023 and signed on its behalf.

D Collignon

Director

Directors' report

For the year ended 31 December 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Results and dividends

The profit for the year, after taxation, amounted to £31,595,024 (2021 - loss £11,116).

Dividends of £29,314,708 were paid in the year (2021 : £Nil).

Directors

The directors who served during the year and subsequently to the date of this report were:

S M Pope

C-J Forsberg (resigned 19 June 2023)

D Collignon

Qualifying third party indemnity provisions

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Going concern

On 20 April 2023, the Company formally entered members voluntary liquidation. As a result, these financial statements are therefore prepared on break up basis. Where appropriate, assets were reduced to reflect the estimated realisable amounts and provision has been made for any further liabilities which may arise. In addition, reclassifications are made between fixed assets and long term liabilities to current assets and current liabilities. The process will be an orderly liquidation and the company has sufficient resources to meet its liabilities as they fall due.

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 the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the 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

As noted above, on 20 April 2023, the Company formally entered members voluntary liquidation. There have been no other events affecting the Company since the year end.

This report was approved by the board on 28 September 2023 and signed on its behalf.

D Collignon

Director

Directors' responsibilities statement
For the year ended 31 December 2022

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's financial statements and then apply them consistently
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business. The directors have taken the decision to prepare financial statements on a break up basis as a result of decisions taken after the balance sheet date and disclosed in these financial statements; and
- present information, including the accounting policies, in a manner that provides relevant, reliable, comparable and understandable information.

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 to 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.

Opinion

We have audited the financial statements of F&R Group (UK) 2 Limited (formerly B.T.C. Activewear Holdings Limited) (the 'Company') for the year ended 31 December 2022, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - Basis of preparation of these financial statements on a break up basis

We draw your attention to note 2.2 of the financial statements which explains that the Company has entered members voluntary liquidation and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a break up basis.

Our opinion is not modified in respect of this matter.

Independent auditors' report to the members of F&R Group (UK) 2 Limited (formerly B.T.C. Activewear Holdings Limited)
(continued)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report to the members of F&R Group (UK) 2 Limited (formerly B.T.C. Activewear Holdings Limited)
(continued)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant to be those that relate to United Kingdom Generally Accepted Accounting Practice, the Companies Act 2006, and United Kingdom direct and indirect tax regulations. The company has minimal transactions and no employees.
- We understood how the company is complying with those frameworks by making enquiries of senior finance personnel and those charged with governance to understand how the Company maintains and communicates its policies and procedures in these areas. We understood any controls put in place by management to reduce the opportunities for fraudulent transactions and how monitoring of these processes is done to avoid any instance of non-compliance.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by discussing with senior finance personnel and those charged with governance as to the rationale behind the specific accounting transactions. Due to the nature of the company, as a holding company of wholly owned group subsidiaries we have not identified any risk of material misstatement.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures included reading board meeting minutes and relevant approval documents, enquiries of senior finance personnel and those charged with governance and agreement of transactions to supporting source documentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

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 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 and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Independent auditors' report to the members of F&R Group (UK) 2 Limited (formerly B.T.C. Activewear Holdings Limited)
(continued)

Adam Gittens (Senior statutory auditor)

for and on behalf of
Ernst & Young LLP

No 1 Colmore Square
Birmingham
B4 6HQ

28 September 2023

Statement of comprehensive income
For the year ended 31 December 2022

	Note	2022 £	2021 £
Administrative expenses	4	(388,310)	(11,116)
Operating loss		(388,310)	(11,116)
Profit on sale of investment	8	25,266,489	-
Dividend income from investments		6,716,845	-
Profit/(loss) before tax		31,595,024	(11,116)
Tax on profit/(loss)	9	-	-
Profit/(loss) for the financial year		31,595,024	(11,116)
Other comprehensive income for the year			
Other comprehensive income		-	-
Total comprehensive income for the year		31,595,024	(11,116)

The notes on pages 12 to 20 form part of these financial statements.

Statement of changes in equity
For the year ended 31 December 2022

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2021	1,315,789	(1,667,155)	(351,366)
Comprehensive income for the year			
Loss for the year	-	(11,116)	(11,116)
Other comprehensive income	-	-	-
At 1 January 2022	1,315,789	(1,678,271)	(362,482)
Comprehensive income for the year			
Profit for the year	-	31,595,024	31,595,024
Other comprehensive income	-	-	-
Dividends	-	(29,314,708)	(29,314,708)
At 31 December 2022	1,315,789	602,045	1,917,834

The notes on pages 12 to 20 form part of these financial statements.

Statement of financial position
As at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	11	-	6,345,796
Current assets			
Debtors: amounts falling due within one year	100	-	-
Cash at bank and in hand	2,049,695	940	
	2,049,795	940	
Creditors: amounts falling due within one year	13	(131,961)	(6,709,218)
Net current assets/(liabilities)		1,917,834	(6,708,278)
Total assets less current liabilities		1,917,834	(362,482)
Net assets/(liabilities)		1,917,834	(362,482)
Capital and reserves			
Called up share capital	14	1,315,789	1,315,789
Profit and loss account	15	602,045	(1,678,271)
		1,917,834	(362,482)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 September 2023.

D Collignon

Director

The notes on pages 12 to 20 form part of these financial statements.

Notes to the financial statements
For the year ended 31 December 2022

1. General information

F&R Group (UK) 2 Limited (formerly B.T.C. Activewear Holdings Limited) is a private company limited by shares and incorporated and registered in England under the Companies Act. The registered office was at Point 1, Opus 9 Axletree Way, Wednesbury, WS10 9QY. The principal activity of the company was that of an intermediate holding company and is now a non-trading company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in the company's functional currency of GBP (Sterling). They are prepared to the nearest £.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The financial statements have been prepared on a basis other than going concern, which is described as the break up basis. The break up basis requires the carrying value of assets to be at the amounts they are expected to realise and liabilities to include any amounts which have crystallised as a result of the decision to enter voluntary liquidation.

There is no financial impact on the application of the break up basis of the results for the year ended 31 December 2022. In all other respects, the financial statements have been prepared in accordance with the accounting framework.

The following principal accounting policies have been applied:

2.2 Going concern

On 20 April 2023, the Company formally entered members voluntary liquidation. As a result, these financial statements are therefore prepared on break up basis. Where appropriate, assets were reduced to reflect the estimated realisable amounts and provision has been made for any further liabilities which may arise. In addition, reclassifications are made between fixed assets and long term liabilities to current assets and current liabilities.

Notes to the financial statements
For the year ended 31 December 2022

2. Accounting policies (continued)

2.3 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 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 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Falk & Ross Equity GmbH as at 31 December 2022 and these financial statements may be obtained from Ross-Strasse 6, Sembach, 67681, Germany.

2.4 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 profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

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

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

The carrying values of fixed asset investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Notes to the financial statements
For the year ended 31 December 2022

2. Accounting policies (continued)

2.6 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.

2.7 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in 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 debtors and creditors, 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

2.8 Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge 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 reporting 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 Statement of financial position 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 reporting date.

2.9 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends and final equity dividends are recognised when approved by the board.

Notes to the financial statements
For the year ended 31 December 2022

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements.

The estimates and judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is reviewed 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.

Impairment of Investment

The group assesses at each reporting date whether an asset may be impaired. If any such indication exists the group estimates the recoverable amount of the asset. If it is not possible to estimate the recoverable amount of the individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. If the recoverable amount is less than its carrying amount, the carrying amount of the asset is impaired and it is reduced to its recoverable amount through an impairment in the Statement of comprehensive income. An impairment loss is reversed in a subsequent period if and only if the reasons for the impairment loss have ceased to apply. As the investment has been disposed of during the year, there is no further need to impair the investment.

4. Operating loss

The operating loss is stated after charging:

	2022 £	2021 £
Exchange differences on dividends to parent undertaking	<u>135,292</u>	<u>-</u>

5. Auditors' remuneration

	2022 £	2021 £
- The audit of the financial statements	6,540	8,568
- Taxation and other compliance services	3,000	2,515
	<u>9,540</u>	<u>11,083</u>

6. Employees

There were no employees during the year other than the directors.

Notes to the financial statements
For the year ended 31 December 2022

7. Directors' remuneration

The directors have not received any remuneration in respect of their service to the company.

The directors are also the directors of other group companies and their roles within the company are deemed to be incidental to their wider roles within group management and therefore the company bears no cost in relation to the directors.

8. Profit on disposal of investment

	2022 £	2021 £
Profit on disposal of investment	<u>25,266,489</u>	<u>-</u>

9. Taxation

	2022 £	2021 £
Current tax on profits for the year	-	-
Total current tax	<u>-</u>	<u>-</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit/(loss) on ordinary activities before tax	<u>31,595,024</u>	<u>(11,116)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 : 19%)	6,003,055	(2,112)
Effects of:		
Expenses not deductible	200,344	-
Income not taxable	(6,234,159)	-
Deferred tax not provided	10,789	-
Effects of group relief	19,971	2,112
Total tax charge for the year	<u>-</u>	<u>-</u>

Notes to the financial statements
For the year ended 31 December 2022

9. Taxation (continued)

Factors that may affect future tax charges

In the Spring Budget 2021, the government announced that from 1 April 2023 the headline corporation tax rate will increase to 25%. The proposal to increase the rate to 25% had been substantively enacted at the company's balance sheet date, therefore its effects have been included in these financial statements.

Deferred tax

	2022	2021
	£	£
Unused tax losses (net)	79,965	65,774
	<hr/>	<hr/>
	79,965	65,774
	<hr/>	<hr/>

The company has unrecognised deferred tax assets arising in the UK that are available for offset against future taxable profits. The deferred tax assets have not been recognised as they have not been able to offset taxable profits elsewhere in the group, and there are uncertainties surrounding the availability of future taxable profits against which the deferred tax assets can be recognised.

10. Dividends

	2022	2021
	£	£
Total dividends paid on equity shares	29,314,708	-
	<hr/>	<hr/>
	29,314,708	-
	<hr/>	<hr/>

Equity dividends are recognised when they become legally payable. Interim equity dividends and final equity dividends are recognised when approved by the board.

Notes to the financial statements
For the year ended 31 December 2022

11. Fixed asset investments

	Investments in subsidiary companies £
At 1 January 2022	6,345,796
Disposals	(6,345,796)
	<hr/>
At 31 December 2022	-
	<hr/> <hr/>

On 2 September 2022, all the shares in B.T.C Activewear Limited were sold for a consideration of £32,440,313 resulting in a profit on disposal of £25,266,489. Legal fees in connection with the disposal have been charged against the profit on disposal.

12. Debtors

	2022 £	2021 £
Amounts owed by group undertakings	100	-
	<hr/>	<hr/>
	100	-
	<hr/> <hr/>	<hr/> <hr/>

Outstanding balances with group undertakings are unsecured, interest free and repayable on demand.

13. Creditors: Amounts falling due within one year

	2022 £	2021 £
Other creditors	118,341	-
Amounts owed to group undertakings	-	6,709,218
Accruals and deferred income	13,620	-
	<hr/>	<hr/>
	131,961	6,709,218
	<hr/> <hr/>	<hr/> <hr/>

Outstanding balances with group undertakings are unsecured, interest free and repayable on demand.

Notes to the financial statements
For the year ended 31 December 2022

14. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
1,000,000 (2021 - 1,000,000) Ordinary 'A' shares of £1.00 each	1,000,000	1,000,000
315,789 (2021 - 315,789) Ordinary 'B' shares of £1.00 each	315,789	315,789
	<u>1,315,789</u>	<u>1,315,789</u>

All shares rank pari passu.

15. Reserves

Profit and loss account

The profit and loss reserve represents cumulative profits and losses, net of dividends paid and other adjustments.

16. Related party transactions

During the year the company entered into transactions with related parties, in the ordinary course of business. Transactions entered into, and trading balances outstanding at 31 December are as follows:

	Amounts owed from/(to) the parent and subsidiary undertaking £
2022	100
2021	<u>(6,709,218)</u>

Included within debtors due within one year is an amount receivable due from the parent of £100 (2021 : £Nil). The balance is unsecured, interest free and repayable on demand.

During the year the company loaned its parent £10,450,000 (2021: £nil) to allow it to acquire shares from its non controlling shareholders. The £100 bank transfer charge was incurred by the parent on the company's behalf. During the year the loan was extinguished in full by way of a dividend declared on its 'B' shares.

In 2021 included within creditors due within one year was an amount due payable to its subsidiary undertaking of £6,709,218. The balance was unsecured, interest free and repayable on demand. During the year costs of £7,621 were incurred by the subsidiary on behalf of the company and the balance of £6,716,845 was then cleared in full by way of a dividend.

17. Post balance sheet events

On 20 April 2023, the Company formally entered members voluntary liquidation. All net assets of the company at that date will be distributed to the shareholder, the company's immediate parent company.

18. Controlling party

The immediate parent undertaking is Falk & Ross Group (UK) Limited, a company registered in England and Wales.

The ultimate parent undertaking and controlling party is Falk & Ross Equity GmbH, a company registered in Germany. The group headed by Falk & Ross Equity GmbH is the smallest and largest group undertaking for which consolidated financial statements are drawn up. These consolidated financial statements, including the results of the company, are available to the public and can be obtained from Ross-Strasse 6, Sembach, 67681, Germany.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.