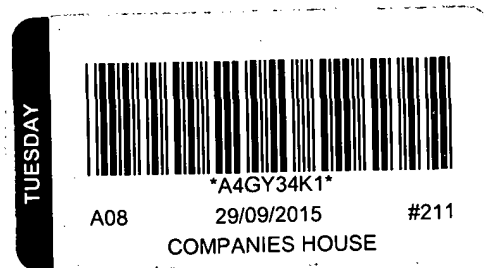


Pollock & Cochrane Limited
Annual report and financial statements
for the year ended 31 December 2014

Registered Number SC13508



Pollock & Cochrane Limited

Annual report and financial statements for the year ended 31 December 2014

Contents

Directors and advisors	1
Strategic report for the year ended 31 December 2014.....	2
Directors' report for the year ended 31 December 2014.....	3
Independent auditors' report to the members of Pollock & Cochrane Limited	5
Profit and loss account for the year ended 31 December 2014.....	8
Balance sheet as at 31 December 2014.....	9
Cash flow statement for the year ended 31 December 2014.....	10
Notes to the financial statements for the year ended 31 December 2014	11
Accounting Policies	11

Pollock & Cochrane Limited

Directors and advisors

Directors

James D Cochrane
Abdul Aziz Al-Ajlan

Secretary

David C Cumpstey

Registered Office

Thrushcraig Works
Rowan Street
Paisley
PA2 6RT

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
101 Barbirolli Square
Lower Mosley Street
Manchester
M2 3PW

Solicitors

Wright & Crawford
17 Glasgow Road
Paisley
Scotland
PA1 3QS

Bankers

The Royal Bank of Scotland
Paisley Chief Office
1 Moncrieff Street
Paisley
PA3 2AW

Pollock & Cochrane Limited

Strategic report for the year ended 31 December 2014

The directors present their strategic report on the company for the year ended 31 December 2014.

Principal activities

The company is principally engaged in the business of bleaching, dyeing and finishing of cotton head shawls for the Arabian market.

Results and dividends

The Company's results for the year are set out in the profit and loss account on page 8 showing a profit for the financial year of £57,850 (2013: profit of £34,476). At 31 December 2014, the company has net assets of £188,335 (2013: £130,485). The result for the year reflects the trading conditions in a strong market where demand for the product remains high. The Directors expect the company to remain in a profitable position in the medium term.

The directors do not propose payment of a dividend (2013: £nil).

Future developments

The directors expect that 2015 will be a year of progress. The company enters the year with a solid order book and expects to be able to sustain and grow the business over the years ahead. This growth is driven by a well established product which has a dominant share of an expanding market.

Going Concern

As at 31 December 2014 the Company has net assets of £188,335 (2013: £130,485) having made a profit for the financial year of £57,850 (2013: profit of £34,476), however, the entity is in a net current liabilities position. The Directors of United Manufacturing and Trading Company Limited, the immediate and ultimate parent company, have confirmed that they will provide financial support to enable the Company to meet its financial liabilities as they fall due for a period of at least 12 months from the date of these financial statements. On this basis, the Directors have formed a judgement that it is appropriate to prepare the financial statements on a going concern basis.

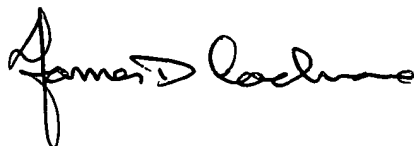
Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the Company are considered to relate to competition from Far Eastern competitors and reliance on a single product sold to a single market.

Key performance indicators

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

On behalf of the board



James D Cochrane

Director

22nd September 2015

Pollock & Cochrane Limited

Directors' report for the year ended 31 December 2014

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2014.

Future developments

An indication of the likely future developments of the business is included in the Strategic report on page 2.

Directors

The directors who held office during the year and up to the date of signing the financial statements are listed on page 1.

Dividends

The directors are not proposing payment of a dividend (2013: £nil) and have not paid a dividend during the year.

Statement of directors' responsibilities

The Directors are responsible for preparing the Strategic Report, 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 prepared 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

Disclosure of information to Auditors

Each of the persons who is a director at the date of approval of this report confirms that:

(a) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and

(b) 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.

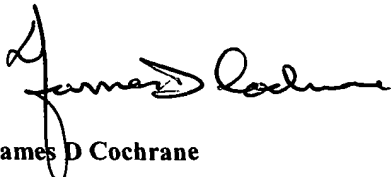
Pollock & Cochrane Limited

Directors' report for the year ended 31 December 2014 (continued)

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

On behalf of the board

A handwritten signature in black ink, appearing to read 'James D Cochrane', written over a horizontal line.

James D Cochrane

Director

22nd September 2015

Independent auditors' report to the members of Pollock and Cochrane Limited

Report on the financial statements

Our opinion

In our opinion, Pollock and Cochrane Limited's financial statements (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 and cash flows 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.

What we have audited

The financial statements comprise:

- the Balance sheet as at 31 December 2014;
- the Profit and loss account for the year ended 31 December 2014;
- the Cash flow statement for the year ended 31 December 2014;
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 3, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

Pollock & Cochrane Limited

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual report and financial statements 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.



Hazel Macnamara (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester

28 September 2015

Pollock & Cochrane Limited

Profit and loss account for the year ended 31 December 2014

	Note	2014 £	2013 £
Turnover	1	1,859,671	1,852,910
Cost of sales		(1,609,804)	(1,599,551)
Gross profit		249,867	253,359
Administrative expenses		(210,434)	(215,742)
Operating profit	2	39,433	37,617
Other interest receivable and similar income		-	214
Profit on ordinary activities before taxation		39,433	37,831
Tax (charge)/credit on profit on ordinary activities	4	18,417	(3,355)
Profit for the financial year		57,850	34,476

All amounts relate to continuing operations.

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

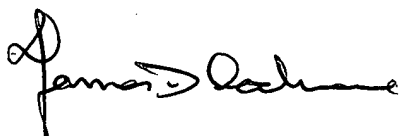
There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents.

Pollock & Cochrane Limited

Balance sheet as at 31 December 2014

	Note	2014 £	2013 £
Fixed assets			
Tangible assets	5	729,535	718,273
Current assets			
Stocks	6	38,999	71,471
Debtors	7	325,227	242,553
Cash at bank and in hand		131,614	60,890
		495,840	374,914
Creditors: amounts falling due within one year	8	(1,037,040)	(962,702)
Net current liabilities		(541,200)	(587,788)
Total assets less current liabilities		188,335	130,485
Net assets		188,335	130,485
Capital and reserves			
Called up share capital	10	10,033	10,033
Capital redemption reserve	11	19,967	19,967
Profit and loss account	11	158,335	100,485
Total equity shareholders' funds	12	188,335	130,485

The financial statements on pages 8 to 18 were approved by the board of directors on 22nd September 2015 and were signed on its behalf by:



James D Cochrane
Director

Registered Number SC013508

Pollock & Cochrane Limited

Cash flow statement for the year ended 31 December 2014

	Notes	2014 £	2013 £
Net cash inflow from operating activities	13	194,181	41,783
Returns on investments and servicing of finance			
Interest received		-	214
Net cash inflow from returns on investment and servicing of finance		-	214
Capital expenditure			
Purchase of tangible fixed assets		(123,457)	(103,879)
Net cash outflow for capital expenditure		(123,457)	(103,879)
Net increase/(decrease) in cash	14	70,724	(61,882)

Pollock & Cochrane Limited

Notes to the financial statements for the year ended 31 December 2014

Accounting policies

Basis of Preparation

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The principal accounting policies of the company, which have been applied consistently, are set out below:

Turnover

Turnover is the total amount receivable by the company in the ordinary course of business in respect of services provided and the sale of goods to customers, excluding VAT and trade discounts. Turnover is recognised when the associated service (bleaching, dyeing and finishing) has been completed, or when the risks and rewards have passed to the customer in respect of the sale of goods.

Tangible Fixed Assets

Tangible fixed assets are stated at cost. Depreciation has been calculated by reference to the estimated useful lives of the assets. The rates generally applicable are:

Freehold buildings	2% per annum on a reducing balance basis
Plant and machinery	10-20% per annum on a straight line basis
Motor vehicles	25% per annum on a straight line basis

Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

Group relief between subsidiaries is charged on a pound for pound basis of tax relieved.

Pension commitments

The company operates a defined contribution pension scheme, the assets of which are held separately from those of the company. Contributions are charged to the profit and loss account as incurred.

Stocks

Stocks are valued at the lower of cost to the company, including appropriate production overheads, and net realisable value.

Pollock & Cochrane Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

1 Turnover

The turnover is wholly attributable to the business of bleaching, dyeing and finishing. All turnover was generated within the UK.

2 Operating profit

	2014 £	2013 £
Operating profit is stated after charging		
Depreciation – owned assets	112,195	107,145
Services provided by the Company's auditors		
- fees payable for the audit	9,000	9,000
- fees payable for other services	10,000	6,500

3 Directors and employees

	2014 £	2013 £
Staff costs during the year:		
Wages and salaries	867,911	851,775
Social security costs	80,758	85,407
Other pension costs (note 15)	67,408	82,722
	1,016,077	1,019,904

The monthly average number of employees of the Company during the year was 35 (2013: 35).

	2014 £	2013 £
Remuneration in respect of directors was as follows:		
Emoluments	77,147	76,026
	77,147	76,026

One director (2013: one) accrued benefits during the year under a money purchase pension scheme.

Pollock & Cochrane Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

4 Tax on profit on ordinary activities

	2014 £	2013 £
Current tax:		
UK corporation tax credit on profits for the year	-	-
Total current tax credit	-	-
Deferred tax :		
Origination and reversal of timing differences	(19,792)	927
Change in tax rates or laws	1,375	2,248
Adjustments in respect to prior years	-	180
Total deferred tax charge/(credit)	(18,417)	3,355
Tax charge/(credit) on profit on ordinary activities	(18,417)	3,355

The tax assessed on the profit on ordinary activities is lower (2013: lower) from the standard rate of tax in the UK of 21.49% (2013: 23.5%). The differences are reconciled below:

	2014 £	2013 £
Profit on ordinary activities before taxation	39,433	37,831
Profit on ordinary activities multiplied by standard rate in the UK of 21.49% (2013: 23.25%)	8,474	8,796
Effects of:		
Expenses not deductible for tax purposes	203	2
Accelerated capital allowances	-	(3,787)
Capital allowances for period in excess of depreciation	15,339	-
Other short timing differences	(3,557)	(5,011)
Utilisation of losses	(20,459)	-
Current year tax credit	-	-

Pollock & Cochrane Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

5 Tangible assets

	Freehold buildings £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 January 2014	41,841	4,337,382	13,726	4,392,949
Additions	1,351	122,106	-	123,457
Disposals	-	-	-	-
At 31 December 2014	43,192	4,459,488	13,726	4,516,406
Accumulated depreciation				
At 1 January 2014	31,207	3,639,180	4,289	3,674,676
Charge for the year	865	107,899	3,431	112,195
Disposals	-	-	-	-
At 31 December 2014	32,072	3,747,079	7,720	3,786,871
Net book value				
At 31 December 2014	11,120	712,409	6,006	729,535
At 31 December 2013	10,634	698,202	9,437	718,273

6 Stocks

	2014 £	2013 £
Raw materials and consumable stores	24,869	42,674
Work in progress	14,130	28,797
	38,999	71,471

There is no material difference between the replacement cost of stocks and their current carrying value.

Pollock & Cochrane Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

7 Debtors

	2014 £	2013 £
Trade debtors	1,022	-
Amounts owed by group undertakings (note 16)	176,250	162,223
Amounts owed by group undertakings for group relief	58,367	58,367
Prepayments and accrued income	54,918	5,710
Deferred tax (note 9)	34,670	16,253
	325,227	242,553

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

8 Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	40,919	63,630
Amounts due to group undertakings (note 16)	771,837	760,867
Other creditors including taxation and social security	24,179	23,770
Accruals and deferred income	200,105	114,435
	1,037,040	962,702

The Royal Bank of Scotland holds a bond and floating charge over the company's moveable assets.

Amounts owed to group undertakings are unsecured, interest free and are repayable on demand.

Pollock & Cochrane Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

9 Deferred tax asset

	Deferred tax £
Asset at 1 January 2014	16,253
Charge to profit and loss account	18,417
Asset at 31 December 2014	34,670

Deferred tax provided for in the financial statements is set out below. The amount provided is calculated using a tax rate of 20% (2013: 20%):

	Amount provided	
	2014 £	2013 £
Accelerated capital allowances	26,336	12,694
Other timing differences	8,334	3,559
Deferred tax asset	34,670	16,253

10 Called up share capital

	2014 £	2013 £
Allotted and fully paid		
2014: 20,067 (2013: 20,067) ordinary shares of 50p each	10,033	10,033

Pollock & Cochrane Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

11 Reserves

	Capital redemption reserve £	Profit and loss account £
At 1 January 2014	19,967	100,485
Profit for the financial year	-	57,850
At 31 December 2014	19,967	158,335

12 Reconciliation of movements in shareholders' funds

	2014 £	2013 £
Profit/(loss) for the financial year	57,850	34,476
Opening equity shareholders' funds at 1 January	130,485	96,009
Closing equity shareholders' funds at 31 December	188,335	130,485

13 Reconciliation of operating loss to net cash inflow from operating activities

	2014 £	2013 £
Operating profit	39,433	37,617
Depreciation	112,195	107,145
Decrease/(increase) in stock	32,472	(17,751)
(Increase)/decrease in debtors	(64,257)	21,323
Increase/(decrease) in creditors	74,338	(106,551)
Net cash inflow from operating activities	194,181	41,783

14 Reconciliation of net cash flow to movement in net funds

	2014 £	2013 £
(Decrease)/increase in cash in the year	70,724	(61,882)
Net funds at 1 January	60,890	122,772
Net funds at 31 December	131,614	60,890

Pollock & Cochrane Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

15 Pensions

Directors – Defined Contribution Scheme.

The company operates individual defined contribution pension schemes for the benefit of the directors. The assets in the scheme are held separately from those of the company in an independently administered fund.

The pension cost charge for the year to 31 December 2014 was £20,000 (2013: £20,000). At the end of the year, there was an accrual outstanding of £29,408 (2013: £50,736) in relation to such schemes.

Employees – Pension Schemes

The company operated a defined benefits staff pension scheme, providing benefits to members based on final pensionable pay until April 1997 when a defined contribution scheme for the benefit of its employees was set up. The defined benefit scheme has been wound up and the monies involved paid into individual Section 32 policies for each member.

The defined contribution scheme charge for the year to 31 December 2014 was £67,408 (2013: £82,722). At the end of the year, there was an accrual outstanding of £16,177 (2013: £8,364) in relation to such schemes.

16 Related party transactions

During the year the company's turnover included £1,842,836 (2013: £1,832,371) of sales to Lappet Manufacturing Company Limited, a fellow subsidiary undertaking incorporated in the United Kingdom.

At 31 December 2014 the company was owed £176,250 (2013: £162,223) from Lappet Manufacturing Company Limited in respect of sales. At 31 December 2014 Lappet Manufacturing Company Limited owe the company £58,367 (2013: £58,367) in respect of tax group relief. The company owes amounts of £176,070 (2013: £165,100) to Lappet Manufacturing Company Limited in respect of loans for capital investment.

During the year, the company received £nil (2013: £nil) from United Manufacturing and Trading Company Limited, the ultimate parent undertaking for capital investment, owing £595,687 (2013: £595,687) as at the balance sheet.

17 Ultimate controlling related party

The directors consider that the company's immediate and ultimate parent company is United Manufacturing and Trading Company Limited, registered in the Isle of Man, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Consolidated financial statements are not publicly available.