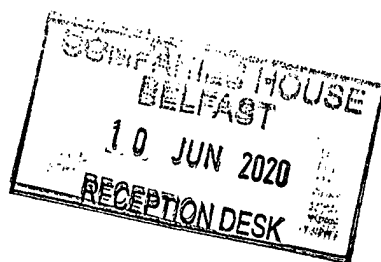
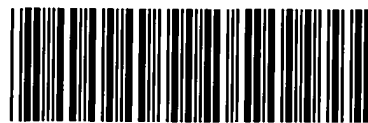


Registered number: 00552438

**Hanesbrands UK Ltd**  
**Annual report and financial statements**  
**for the period ended 28 December 2019**



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**Hanesbrands UK Ltd**

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**Company Information**

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<b>Directors</b>	M S Lewis H L Nogueira (appointed 2 March 2020) A Gabel (appointed 2 March 2020) A V Huyck (resigned 2 March 2020) A Iandolo (resigned 2 March 2020)
<b>Company secretary</b>	E C Southern (appointed 2 March 2020) J M Johnson (resigned 2 March 2020)
<b>Registered number</b>	00552438
<b>Registered office</b>	6 Church Street West Woking Surrey GU21 6DJ
<b>Independent auditors</b>	Menzies LLP Chartered Accountants and Statutory Auditors Midas House 62 Goldsworth Road Woking Surrey GU21 6LQ
<b>Bankers</b>	Lloyds TSB Gillingham Business Park Bailey Drive Gillingham ME8 0LS
<b>Solicitors</b>	Dallas McMillan Regents Court 70 West Regent Street Glasgow G2 2QZ

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**Hanesbrands UK Ltd**

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## Hanesbrands UK Ltd

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### Strategic report For the period ended 28 December 2019

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The directors present their strategic report of Hanesbrands UK Ltd for the period ended 28 December 2019.

#### Principal activities

The Company's principal activities during the period continue to be the import and wholesale of ladies' lingerie. Furthermore, the company holds a few retail stores for direct sales to customers.

#### Business review

Turnover in the UK accounts for 97.2% of the total turnover (2018: 93%), while European turnover accounts for 2.8% (2018: 7%) of total turnover.

The profit for the financial period amounted to £349,320 (2018: £359,334). This is a 3% profit over net sales (in line with last year, but in absolute value is a decrease due to sales decline. Gross margin has improved to 47.7% (prior year: 43%) due to reduced discounts and rebates, reduced clearance (E&O) sales, improved mix of sales and with a better priced offering. The profit of the period was added to the retained earnings.

For the calendar year 2019 Hanes UK market share ranked 16th in total women's lingerie and 4th in branded women's lingerie (behind Triumph, Evendon Group & Calvin Klein).

#### Financial key performance indicators

Measure	1 January to 28 December 2019	1 January to 31 December 2018	Definition and analysis
Sales (£'000)	11,637	12,497	The net sales of the current period were below the net sales of the last year's £11,637,000 (-£860,000 = -6.9%) which was impacted by 3 factors, reduced sales to high street retail customers, the decline in the field of traditional channel and late delivery of SS20 stock due to DC change in Q4.
Gross margin (%)	47.7%	43%	Gross margin has increased due to 2% price increases from November 2018, reduced E&O Sales, and improved mix of product and customer sales.
Operating costs (£'000) & % of turnover	5,205 44.7%	4,958 40%	The operating expenses in absolute terms have increased due to headcount restructuring costs which will show benefit from 2020 onwards.

**Strategic report (continued)**  
**For the period ended 28 December 2019**

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**Financial risk**

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the EURO. Foreign exchange risk arises from future commercial transactions, plus recognising assets and liabilities in foreign currencies. The corporate treasury department of the Company's parent has set up a policy which requires companies to manage their foreign exchange risk against their functional currency. The group treasury department arranges hedge contracts to manage the risks arising from future commercial transactions and recognised assets and liabilities. The company holds hedge contracts obligations (out of Balance Sheet) for an amount of €2,438,977, on which there was a small gain as at 28 December 2019.

**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 affecting the company are considered to relate to changes in the economy and marketplace, product availability, price and foreign exchange rate risk.

With the exit of the UK from the European Union now likely for the end of 2020, there is still a risk of an exit without a comprehensive agreement for our business sector. The Company has mitigated this risk by moving supply to our distribution center in Ireland, among other various contingency actions, which may be put into play, should the UK exit without a managed withdrawal process.

The COVID-19 Pandemic has had a profound but temporary impact on our business. We have revised sales forecast down, out to July 2020 and are reviewing contingency actions to mitigate the impact on profitability. We are in the early stages of that process.

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

  
M S Lewis  
Director

Date: *14 May 2020*

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## Hanesbrands UK Ltd

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### Directors' report For the period 28 December 2019

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The directors present their report and the audited financial statements for the period ended 28 December 2019.

#### Results and dividends

The profit for the period, after taxation, amounted to £349,320 (2018: £359,334).

The directors recommend that no dividend be paid in respect of the period ended 28 December 2019 (2018: £nil).

#### Directors

The directors who served during the period were:

M S Lewis  
H L Nogueira (appointed 2 March 2020)  
A Gabel (appointed 2 March 2020)  
A V Huyck (resigned 2 March 2020)  
A Iandolo (resigned 2 March 2020)

The company has appointed new directors after the year end, as shown above.

#### Directors' responsibilities

The directors are responsible for preparing the Strategic report, the Directors' report and the audited financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare audited financial statements for each financial period. Under that law the directors have elected to prepare the audited 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 audited 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 audited financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments 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 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.

#### Future developments

Management will give special focus towards establishing a significant proportion of the business through internet sales.

Management will aim to keep the traditional channel sales decline stable via improvements in the goods supply flow and providing improved tools/devices to the sales force.

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**Hanesbrands UK Ltd**

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**Directors' report (continued)**  
**For the period ended 28 December 2019**

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**Employee consultation**

The company places considerable value on the involvement of its employees and has continued its previous practice of keeping them informed on matters affecting them as employees, and on the various factors affecting the performance of the company. This is achieved through information and formal meetings and a monthly letter, which includes comments on the overall company prospects, new products and other items of company interest. Additionally, information on marketing, including new products, is communicated through the notice board.

**Disabled employees**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

**Matters covered in the strategic report**

Information concerning the business review, future developments and principal risks and uncertainties are included within the Strategic Report.

**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.

**Auditors**

The auditors, Menzies LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



**M S Lewis**  
Director

Date:

14, 2020

**Independent auditors' report to the shareholders of Hanesbrands UK Limited**

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**Opinion**

We have audited the financial statements of Hanesbrands UK Limited (the 'Company') for the period ended 28 December 2019, 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 28 December 2019 and of its profit for the period 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.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you, where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.



**Independent auditors' report to the shareholders of Hanesbrands UK Ltd (continued)**

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**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 period 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 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, 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.

**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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

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Hanesbrands UK Ltd

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Independent auditors' report to the shareholders of Hanesbrands UK Ltd (continued)

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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.

*Menzies LLP*

Tom Woods ACA (Senior statutory auditor)  
for and on behalf of  
**Menzies LLP**  
Chartered Accountants and Statutory Auditors  
Midas House  
62 Goldsworth Road  
Woking  
Surrey  
GU21 6LQ

Date: *5<sup>th</sup> June 2020*

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**Hanesbrands UK Ltd**

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**Statement of comprehensive income  
For the period ended 28 December 2019**

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	Note	2019 £000	Total 2019 £000	2018 £000	Total 2018 £000
Turnover	4	11,637	11,637	12,497	12,497
Cost of sales		(6,085)	(6,085)	(7,183)	(7,183)
<b>Gross profit</b>		<b>5,552</b>	<b>5,552</b>	<b>5,314</b>	<b>5,314</b>
Operating expenses		(5,205)	(5,205)	(4,958)	(4,958)
<b>Operating profit</b>	5	<b>347</b>	<b>347</b>	<b>356</b>	<b>356</b>
Interest (payable)/ receivable	9	2	2	3	3
<b>Profit before tax</b>		<b>349</b>	<b>349</b>	<b>359</b>	<b>359</b>
<b>Profit for the financial period</b>		<b>349</b>	<b>349</b>	<b>359</b>	<b>359</b>

There was no other comprehensive income for 2019 (2018: £Nil).

The notes on pages 11 to 20 form part of these financial statements.

**Hanesbrands UK Ltd**  
**Registered number:00552438**

**Statement of financial position**  
**As at 28 December 2019**

	Note	2019 £000	2018 £000
<b>Fixed assets</b>			
Tangible assets	11	587	610
		<u>587</u>	<u>610</u>
<b>Current assets</b>			
Stocks	12	433	450
Debtors: amounts falling due within one year	13	2,735	3,274
Cash at bank and in hand	14	3,676	2,502
		<u>6,844</u>	<u>6,226</u>
Creditors: amounts falling due within one year	15	(3,282)	(3,036)
<b>Net current assets</b>		<u>3,562</u>	<u>3,190</u>
<b>Total assets less current liabilities</b>		<u>4,149</u>	<u>3,800</u>
<b>Net assets</b>		<u><u>4,149</u></u>	<u><u>3,800</u></u>
<b>Capital and reserves</b>			
Called up share capital	17	2,531	2,531
Profit and loss account	18	1,618	1,269
		<u>4,149</u>	<u>3,800</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 14/05/20



**M S Lewis**  
Director

The notes on pages 11 to 20 form part of these financial statements.

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**Hanesbrands UK Ltd**

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**Statement of changes in equity  
For the period ended 28 December 2019**

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	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2019	2,531	1,269	3,800
<b>Comprehensive income for the period</b>			
Profit for the period		349	349
<b>Other comprehensive income for the period</b>			
	-	-	-
<b>Total comprehensive income for the period</b>		-	-
<b>Total transactions with owners</b>	-	-	-
<b>At 28 December 2019</b>	<b>2,531</b>	<b>1,618</b>	<b>4,149</b>

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**Statement of changes in equity  
For the year ended 31 December 2018**

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	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2018	2,531	910	3,441
<b>Comprehensive income for the year</b>			
Profit for the year	-	359	359
Surplus on revaluation of freehold property	-	-	-
<b>Other comprehensive income for the year</b>	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-
Transfer to/from profit and loss account	-	-	-
<b>Total transactions with owners</b>	-	-	-
<b>At 31 December 2018</b>	<b>2,531</b>	<b>1,269</b>	<b>3,800</b>

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The notes on pages 11 to 20 form part of these financial statements.

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## Hanesbrands UK Ltd

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### Notes to the financial statements For the period ended 28 December 2019

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#### 1. General information

Hanesbrands UK Ltd is a private company limited by shares and incorporated in England and Wales. The registered office and principal place of business is 6 Church Street West, Woking, Surrey, GU21 6DJ.

#### 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 prepared in sterling which is the functional currency of the company.

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 following principal accounting policies have been applied:

##### 2.2 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 11.41(b), 11.41(c), 11.41(e), 11.41(f), 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 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Hanes Commercials Europe S.a.r.l. as at 28 December 2019 and these financial statements may be obtained from 560a, rue de Neudorf, L-2220, Luxembourg.

##### 2.3 Going concern

The Company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives, details of its financial instruments and derivative activities, and its exposures to price, credit, liquidity and cash flow risk are described in the Strategic Report on pages 1 and 2.

The coronavirus pandemic is creating significant uncertainty globally and the company is not immune to this. The directors are working to ensure the safety of their employees and maintaining the continuity of their operations as far as they are able, whilst adhering to Government advice. Whilst the pandemic will have a financial impact on the company, the directors have taken relevant measures to ensure they are able to safeguard cashflow, jobs, customers and supply chains to put them in the best possible position to be able to pick up on opportunities as they arise once business starts to return to normal.

As a result of the actions described above, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts with no material uncertainty.

**2. Accounting policies (continued)**

**2.4 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

**Sale of goods**

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**2.5 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements: 10 years

Plant and machinery: 3-10 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

**2. Accounting policies (continued)**

**2.6 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

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

**2.7 Financial instruments**

The Company 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 non-puttable ordinary shares.

**Derivative financial instruments**

The company uses forward foreign currency contracts to reduce exposure to foreign exchange rates.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit and loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for foreign exchange derivatives.

**2.8 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'administrative expenses'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'administrative expenses'.

**2.9 Finance costs**

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.



**Notes to the financial statements**  
**For the period ended 28 December 2019**

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**2. Accounting policies (continued)**

**2.10 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**2.11 Pensions**

**Defined contribution pension plan**

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

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

**2.12 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 balance sheet date in the countries where the Company operates and generates income.

**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 period. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

**Taxation**

The entity establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 10.

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**Hanesbrands UK Ltd**

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**Notes to the financial statements  
For the period ended 28 December 2019**

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**4. Turnover**

Analysis of turnover by country of destination:

	2019 £000	2018 £000
United Kingdom	11,316	11,593
Rest of Europe	321	904
	<u>11,637</u>	<u>12,497</u>

**5. Operating profit**

The operating profit is stated after charging:

	2019 £000	2018 £000
Depreciation of tangible fixed assets	112	94
Foreign exchange (gain)/loss	103	55
Operating lease charges - plant and machinery	15	27
Operating lease charges - land and buildings	<u>477</u>	<u>520</u>

**6. Auditors remuneration**

Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements.

2019 £000	2018 £000
<u>31</u>	<u>31</u>

**7. Employees**

Staff costs, including directors' remuneration, were as follows:

	2019 £000	2018 £000
Wages and salaries	1,840	1,668
Social security costs	165	170
Cost of defined contribution scheme	<u>91</u>	<u>81</u>
	<u>2,096</u>	<u>1,919</u>

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

	2019 No.	2018 No.
Administrative employees	<u>74</u>	<u>92</u>
	<u>74</u>	<u>92</u>

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**Hanesbrands UK Ltd**

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**Notes to the financial statements**  
**For the period ended 28 December 2019**

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**8. Directors' remuneration**

During the period no Directors received any emoluments (2018 - £Nil).

**9. Interest payable and expenses**

	2019 £000	2018 £000
Bank interest (receivable)/payable	(2)	(3)
	<u>(2)</u>	<u>(3)</u>

**10. Taxation**

	2019 £000	2018 £000
Total current tax	-	-

**Factors affecting tax charge for the period**

The tax assessed for the period is lower than (2018 – lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £000	2018 £000
Profit on ordinary activities before tax	349	359
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	66	68
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	14	14
Deferred tax not provided	(80)	(82)
Total tax charge for the period	<u>-</u>	<u>-</u>

**Factors that may affect future tax charges**

There are no factors that may affect future tax charges

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**Hanesbrands UK Ltd**

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**Notes to the financial statements  
For the period ended 28 December 2019**

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**11. Tangible fixed assets**

	Leasehold improvements	Plant and machinery	Total
	£000	£000	£000
<b>Cost or valuation</b>			
At 1 January 2019	603	220	823
Additions	86	3	89
Reclassifications	(32)	32	-
At 28 December 2019	657	255	912
<b>Depreciation</b>			
At 1 January 2019	116	97	213
Charge for the period on owned assets	65	47	112
Reclassifications	-	-	-
At 28 December 2019	181	144	325
<b>Net book value</b>			
At 28 December 2019	476	111	587
At 31 December 2018	487	123	610

**12. Stocks**

	2019 £000	2018 £000
Finished goods and goods for resale	433	450
	433	450

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**Hanesbrands UK Ltd**

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**Notes to the financial statements  
For the period ended 28 December 2019**

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**13. Debtors due within one year**

	2019 £000	2018 £000
Trade debtors	1,911	2,523
Amounts owed by group undertakings	652	451
Other debtors	84	118
Prepayments and accrued income	88	181
	<u>2,735</u>	<u>3,273</u>

**14. Cash and cash equivalents**

	2019 £000	2018 £000
Cash at bank and in hand	3,676	2,502
	<u>3,676</u>	<u>2,502</u>

The Company's bank hold a fixed first charge against deposits held for monies that are due or become due from the Company.

**15. Creditors: Amounts falling due within one year**

	2019 £000	2018 £000
Trade creditors	184	130
Amounts owed to group undertakings	1,424	1,685
Other taxation and social security	575	312
Other creditors	73	-
Accruals and deferred income	1,026	909
	<u>3,282</u>	<u>3,036</u>

Included within other creditors is a derivative financial instrument of £73,208 (2018: £34,452 included within other debtors) which is measured at fair value, with a change in valuation of -£107,660 (2018: £34,452) recognized in the Statement of Income and Retained Earnings.

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**Hanesbrands UK Ltd**

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**Notes to the financial statements  
For the period ended 28 December 2019**

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**16. Financial instruments**

	2019 £000	2018 £000
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	2,647	3,058
Financial assets measured at fair value through profit and loss	-	34
	<u>2,647</u>	<u>3,092</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(2,183)	(2,724)
Financial liabilities measured at fair value through profit and loss	(73)	-
	<u>(2,256)</u>	<u>(2,724)</u>

Financial assets measured at amortised cost comprise trade and other debtors and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise trade creditors, accruals and amounts owed to group undertakings.

The financial assets and liabilities measured at fair value through profit and loss comprise of derivatives held within other debtors and other creditors.

**17. Share capital**

	2019 £000	2018 £000
<b>Allotted, called up and fully paid</b>		
2,531,000 Ordinary shares of £1 each	<u>2,531</u>	<u>2,531</u>

**18. Reserves****Profit and Loss account**

This reserve records retained earnings and accumulated losses.

**19. Pension commitments**

The Company operates a defined contribution (stakeholder) pension scheme which was introduced in March 2006. In the period to 28 December 2019 the Company contributed £77,376 to this scheme (2018 - £78,080) and at the balance sheet date there were outstanding contributions of £24,675 (2018 - £19,144).

The Company also contributed £13,388 (2018 - £20,414) to a targeted benefit scheme for 4 Ireland based employees and £nil (2018 - £nil) to a defined contribution scheme in Ireland (2018 - 4 employees). At the balance sheet date there were outstanding contributions of £nil (2018 - £2,000).

**Notes to the financial statements**  
**For the period ended 28 December 2019**

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**20. Commitments under operating leases**

The company has entered into non-cancellable leases in respect of computer equipment and motor vehicles, the payments for which extend over a period of up to 5 years. In addition, the Company leases certain land and buildings. The rents payable under these leases are subject to renegotiation at various intervals specified in the leases. The Company pays all maintenance, insurance and repairs of these properties.

At 28 December 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £000	2018 £000
Not later than 1 year	505	521
Later than 1 year and not later than 5 years	1,667	1,689
Later than 5 years	487	825
	<u>2,659</u>	<u>3,035</u>

**21. Related parties**

The Company is exempt from disclosing related party transactions with entities that are part of the Hanesbrands Inc group.

**22. Controlling party**

The Company is a wholly owned subsidiary of Hanes Commercials Europe S.a.r.l., whose registered address is 560A, rue de Neudorf, L-2220, Luxembourg. The ultimate parent Company and controlling party is Hanesbrands Inc, a Company incorporated in the US, who can be contacted at 1000 E Hanes Mill Road, Winston-Salem, NC 27105.

Hanesbrands Inc, is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 28 December 2019. The consolidated financial statements can be obtained at the registered office above.

Hanes Commercials Europe S.a.r.l., is the parent undertaking of the smallest group of undertakings to consolidate these financial statements at 28 December 2019. The consolidated financial statements can be obtained at the registered office above.