

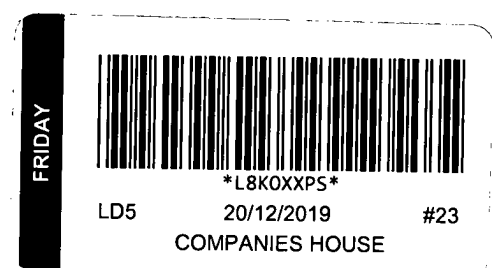
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Registered number: 01757853

WILLIAMSON-DICKIE EUROPE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2019



WILLIAMSON-DICKIE EUROPE LIMITED

COMPANY INFORMATION

Directors	K M Ehrlich S Cooper P C Williamson T D Rossi (appointed 16 July 2018)
Registered number	01757853
Registered office	Second Avenue Westfield Trading Estate Midsomer Norton Radstock BA3 4BH
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 2 Glass Wharf Bristol BS2 0EL
Bankers	JP Morgan 25 Bank street CanaryWharf London E14 5JP
Solicitors	Pannone Corporate LLP The Chapel 378-380 Deansgate Manchester. M3 4LY

WILLIAMSON-DICKIE EUROPE LIMITED

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WILLIAMSON-DICKIE EUROPE LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 31 MARCH 2019

Introduction

The company's principal activities are to design, source, manufacture and distribute a branded range of workwear, leisurewear, foul weatherwear and footwear to distributors and retail end users in both the United Kingdom and Europe.

Business review

The directors consider the 15 month period ended 31 March 2019 a solid trading period. Turnover for the period was £96m (12 months ended 31 December 2017: £67m), and the loss after taxation was £0.7m (12 months ended 31 December 2017: Profit £0.5m) was down on prior period due to an expense of £1.7m on the write off of intra group balances. The company continued to maintain a strong balance sheet.

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 competition from other protective clothing distributors, product availability and the increasing freight cost associated with importing goods. The company has strong management practices to deal with all issues.

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in market prices, movements in interest rates, fluctuations in currencies and a general risk in its customers' ability to pay for goods and services the company has supplied to them. The directors monitor financial and other risks so as to limit the adverse effects on the financial performance of the company.

The directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department. The directors will review the appropriateness of these policies should the company's operations change in size or nature.

Price risk

The company is exposed to commodity price risk as a result of its operations and the fact that many goods are imported. Given the size of the company's operations, the costs of managing exposure to commodity price risk exceed any potential benefits, although this risk is considered when contracts are negotiated, and purchase orders made.

Interest rate risk

The company has both interest bearing assets and liabilities. Interest bearing assets include only cash balances. The level of interest bearing liabilities is low and so the directors consider the risk of the impact of variable interest rates to be low.

Currency risk

The main currency exposure is in relation to purchases made in US dollars. The company manages exposure to currency risk through constant monitoring of exchange rates and taking appropriate action. The company also purchases euro and US dollars forward foreign currency contracts to hedge currency exposure on firm future commitments.

Credit risk

The majority of the company's customers are long-time customers with whom the company has a strong relationship. The company has policies that require appropriate credit checks on potential customers before sales are made. For sales to customers who are located in countries where the company considers risk to be material, then letters of credit drawn on major financial institutions are requested as part of the terms and

WILLIAMSON-DICKIE EUROPE LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2019

conditions of sale.

Financial key performance indicators

The directors manage the business through KPI's on a quarterly basis which are reviewed with the immediate parent, Williamson-Dickie Holding Company in the United States of America. Of the KPI's there are 4 KPI's (free cashflow, return on equity, stock turns and EBITDA margin) which are deemed by the parent company to be of key importance to the business.

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



TD Rossi
Director

Date: 12 December 2019

WILLIAMSON-DICKIE EUROPE LIMITED

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 MARCH 2019**

The directors present their report and the financial statements for the year ended 31 March 2019.

Directors' responsibilities statement

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 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.

Dividends

The loss for the 15 month period ended 31 March 2019, after taxation, amounted to £0.7m (12 months ended 31 December 2017 – profit £0.5m). The directors paid no dividends in the period (12 months ended 31 December 2017: £3.1m).

Directors

The directors who served during the year were:

K M Ehrlich
S Cooper
P C Williamson
T D Rossi (appointed 16 July 2018)

M A Strange (resigned 31 July 2018)
D K Searle (resigned 1 March 2018)
G E Pears (resigned 15 March 2018)

Political contributions

Charitable donations of £1,714 (12 months ended 31 December 2017: £618) have been made during the period to a number of local charitable events and in support of employee charitable fundraising.

WILLIAMSON-DICKIE EUROPE LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2019

Employee involvement

The company actively encourages the participation of employees in the business's activities through local company meetings. Information is also disseminated locally through publications and notice boards and other announcements

Disabled employees

Applications for employment by disabled persons are always considered fully, bearing in mind the respective aptitudes and abilities 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 appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the company since the year end.

Auditor

The auditor, Grant Thornton UK 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.



TD Rossi
Director

Date: 12 December 2019

WILLIAMSON-DICKIE EUROPE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WILLIAMSON -DICKIE EUROPE LIMITED

Opinion

We have audited the financial statements of Williamson-Dickie Europe Limited (the 'Company') for the period ended 31 March 2019, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the notes to the financial statements, 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 March 2019 and of its loss 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 Auditor's 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 Directors' Report and the Strategic Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in

WILLIAMSON-DICKIE EUROPE LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WILLIAMSON-DICKIE EUROPE LIMITED
(CONTINUED)**

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.

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 directors' report or the strategic 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 by the company, 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; or

Responsibilities of directors for the financial statements

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.

WILLIAMSON-DICKIE EUROPE LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WILLIAMSON-DICKIE EUROPE LIMITED
(CONTINUED)**

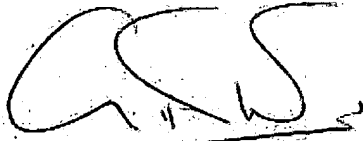
Auditor's responsibilities for the audit of the financial statements

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 auditor's 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. This description forms part of our auditor's 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 auditor's 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.



Tim Lincoln BA ACA

for and on behalf of
Grant Thornton UK LLP

Chartered Accountants
Statutory Auditor

Bristol

Date: 12 December 2019

WILLIAMSON-DICKIE EUROPE LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2019

		1 Jan 18 To 31 Mar 19 £000	1 Jan 17 To 31 Dec 17 £000
	Note		
Turnover		96,114	66,683
Cost of sales		<u>(59,840)</u>	<u>(45,719)</u>
Gross profit		36,274	20,964
Distribution costs		(9,716)	(2,757)
Administrative expenses		(25,948)	(16,778)
Exceptional items	4	(1,653)	-
Other operating income/(expenditure)	3	<u>745</u>	<u>(969)</u>
Operating (loss)/ profit	4	(298)	460
Interest receivable and similar income	7	2	58
Interest payable and expenses	8	<u>(46)</u>	<u>(45)</u>
(Loss)/profit before tax		(342)	473
Tax on (loss)/profit	9	<u>(325)</u>	<u>39</u>
(Loss)/profit for the financial year		(667)	512
Other comprehensive income for the year			-
Actuarial gain/(loss) on defined benefit pension scheme		5	(56)
Movement of deferred tax relating to pension surplus		<u>-</u>	<u>-</u>
Other comprehensive income/(loss) for the period		<u>5</u>	<u>(56)</u>
Total comprehensive (loss)/income for the period		<u><u>(662)</u></u>	<u><u>456</u></u>

The notes on pages 12 to 31 form part of these financial statements.

WILLIAMSON-DICKIE EUROPE LIMITED
REGISTERED NUMBER: 01757853

BALANCE SHEET
AS AT 31 MARCH 2019

	Note	31 Mar 19 £000	31 Dec 17 £000
Fixed assets			
Intangible Assets	10	942	1,061
Tangible fixed assets	11	<u>5,245</u>	<u>5,620</u>
		6,187	6,681
Current assets			
Stocks	13	16,810	20,184
Debtors: amounts falling due within one year	14	13,032	11,278
Cash at bank and in hand	15	<u>-</u>	<u>1,582</u>
		29,842	33,044
Creditors: amounts falling due within one year	16	(6,463)	(10,595)
Bank overdraft	16	<u>(1,092)</u>	<u>-</u>
		(7,555)	(10,595)
Net current assets		<u>22,287</u>	<u>22,449</u>
Total assets less current liabilities		28,474	29,130
Provisions for liabilities			
Deferred tax	18	(6)	-
Net assets		<u>28,468</u>	<u>29,130</u>
Capital and reserves			
Called up share capital	19	88	88
Revaluation reserve	20	288	308
Profit and loss account	20	<u>28,092</u>	<u>28,734</u>
		28,468	29,130

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

TD Rossi
Director



Date: 12 December 2019

The notes on pages 12 to 31 form part of these financial statements.

WILLIAMSON-DICKIE EUROPE LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2019

	Called up share capital £000	Revaluation reserve £000	Profit and loss account £000	Total equity £000
At 1 January 2018	88	308	28,734	29,130
Loss for the period	-	-	(667)	(667)
Actuarial gain on pension scheme	-	-	5	5
Total comprehensive loss for the period	-	-	(662)	(662)
Transfer to/from profit and loss account	-	(20)	20	-
	-	(20)	(642)	(662)
At 31 March 2019	88	288	28,092	28,468

The notes on pages 12 to 31 form part of these financial statements.

WILLIAMSON-DICKIE EUROPE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR
THE PERIOD ENDED 31 DECEMBER 2017

	Called up share capital £000	Revaluation reserve £000	Profit and loss account £000	Total equity £000
At 1 January 2017	88	324	31,340	31,752
Profit for the year	-	-	512	512
Actuarial losses on pension scheme	-	-	(56)	(56)
Total comprehensive income for the year	-	-	456	456
Dividends: Equity capital	-	-	(3,078)	(3,078)
Transfer to/from profit and loss account	-	(16)	16	-
	-	(16)	(3,062)	(3,078)
At 31 December 2017	88	308	28,734	29,130

The notes on pages 12 to 31 form part of these financial statements.

WILLIAMSON-DICKIE EUROPE LIMITED
**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2019**

1. Accounting policies

1.1 General information

Williamson-Dickie Europe Limited is a private limited company incorporated in England. Its Registered Office is at Second Avenue, Westfield Trading Estate, Midsomer Norton, Radstock, BA3 4BH. The company registration number is 01757853.

The financial statements are presented in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £000.

1.2 Basis of preparation of financial statement

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006.

The financial statements have been prepared on the historical cost basis as modified by the revaluation of the freehold land and buildings and the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

1.3 Going concern

The directors consider the use of the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern.

1.4 Consolidation exemption

The financial statements contain information about Williamson-Dickie Europe Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included in the consolidated financial statements of its ultimate parent undertaking, VF Corporation.

The company has taken advantage of the exemption, under FRS 102 Section 7, from preparing a statement of cash flows, on the basis that it is a qualifying entity and its immediate parent company, VF Corporation, a company established under the law of a non EEA state, includes the company's cash flows in its own consolidated financial statements.

1.5 Revenue

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Turnover is recognised when risks and rewards of ownership are transferred to the customer, usually on dispatch.

All sales are made predominantly within the European Union.

WILLIAMSON-DICKIE EUROPE LIMITED

**NOTES TO THE FINANCIAL
STATEMENTS FOR THE PERIOD ENDED
31 MARCH 2019**

1. Accounting policies (continued)

1.6 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised through the statement of comprehensive income over its estimated economic life of 18 years.

Purchased intangible assets related to acquired customer lists are capitalised and amortised through the statement of comprehensive income over their useful economic life of three years.

1.7 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.

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.

Land is not depreciated. Depreciation on other assets 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:

Freehold property	- 40 years
Plant and machinery	- 4 to 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.

1.8 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

1.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

WILLIAMSON-DICKIE EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2019**

1. Accounting policies (continued)

1.10 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 an average cost basis.

1.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.12 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, 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 financed at a rate of interest that is not a market rate or in case of an out right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

WILLIAMSON-DICKIE EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2019

1. Accounting policies (continued)

1.13 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 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 the statement of comprehensive income within 'other operating income'.

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.

1.14 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.

1.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

WILLIAMSON-DICKIE EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2019

1. Accounting policies (continued)

1.16 Pensions

The Group operates a Defined Contribution pension scheme. The amount charged against comprehensive income represents the contributions payable by the Group to the scheme in respect of the accounting period.

The Group also operates a Defined Benefit pension scheme, which was closed to the future accrual of benefits on 5 April 1999. The scheme provides benefits based on final pensionable pay at that date or the date the member left pensionable service if earlier. The pension charge is based on a valuation of the scheme's assets and liabilities as at 31 December 2015, undertaken by the Scheme Actuary. The Scheme Actuary undertook a valuation as at 31 March 2019.

The assets in both schemes are held separately from those of the Group in independently administered funds.

The Defined Benefit pension scheme assets are measured using market values. For quoted securities the current bid price is taken as market value. Pension scheme liabilities are measured using a project unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The Defined Benefit pension scheme surplus (to the extent that is recoverable) or deficit is recognised in full. The movement in the surplus/deficit is split between the operating charges, finance items and, in the statement of comprehensive income, actuarial gains and losses.

Deferred tax is recognised on the Defined Benefit scheme.

1.17 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.

1.18 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

1.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the statement of comprehensive income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

WILLIAMSON-DICKIE EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2019

1. Accounting policies (continued)

1.20 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet 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 balance sheet date.

1.21 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

WILLIAMSON-DICKIE EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2019

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

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are addressed below.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives. The useful economic lives are re-assessed annually and amended when necessary to reflect current estimates based on economic utilization and physical condition of assets. See note 11 for carrying amount of property, plant and equipment, and note 1.7 for the useful economic lives for each class of assets.

Inventory provisioning

The company manufactures and sells workwear and is subject to changing consumer demands and legislation requirements. As a result it is necessary to consider recoverability of the cost of inventory and the associated provisioning required. When calculating the inventory provision, management considers nature and condition of the inventory, as well as applying assumptions around anticipated saleability of finished goods and future usage of raw materials. See note 13 for the net carrying amount of the inventory.

Impairment of debtors

The company makes an estimate of the recoverable value of trade debtors. When assessing impairment of trade debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 14 for the net carrying amount of the debtors.

Defined benefit pension scheme

The company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including: life expectancy, asset valuations and discount rate. Management have chosen to appoint an expert to assist with assumptions in this area. See note 22 for the disclosures relating to the defined benefits pension scheme.

3. Other operating income

	1 Jan 18	1 Jan 17
	To	To
	31 Mar 19	31 Dec 17
	£000	£000
Foreign exchange difference – gain/(loss)	745	(969)

WILLIAMSON-DICKIE EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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4. Operating profit

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

	1 Jan 18	1 Jan 17
	To	To
	31 Mar 19	31 Dec 17
	£000	£000
Depreciation of tangible fixed assets	634	489
Amortisation of intangible assets, including goodwill	120	97
Fees payable to the Company's auditors and its associates for other services to the group:		
- Auditor's remuneration	86	86
- Auditor's remuneration - non-audit	56	42
Exchange differences	(745)	969
Intercompany loan write off	1,653	-
Restructuring costs	1,065	-
Operating lease rentals - plant and machinery	100	124
Operating lease rentals - other	234	295

5. Employees remuneration

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

	1 Jan 18	1 Jan 17
	To	To
	31 Mar 19	31 Dec 17
	£000	£000
Wages and salaries	11,652	7,551
Social security costs	1,005	646
Cost of defined contribution scheme	760	593
	<u>13,417</u>	<u>8,790</u>

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

	1 Jan 18	1 Jan 17
	To	To
	31 Mar 19	31 Dec 17
	No.	No.
Office and management	136	108
Manufacturing	26	23
Selling and distribution	171	165
	<u>333</u>	<u>296</u>

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FOR THE PERIOD ENDED 31 MARCH 2019

6. Directors' remuneration.

	1 Jan 18 To 31 Mar 19 £000	1 Jan 17 To 31 Dec 17 £000
Directors' emoluments	2,273	532
Company contributions to defined contribution pension schemes	115	6
	<u>2,388</u>	<u>538</u>

During the period retirement no benefits were accruing for 6 directors (2017 - 6) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £1.1m (2017- £0.3m).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £12,500 (2017 - £1).

7. Interest receivable

	1 Jan 18 To 31 Mar 19 £000	1 Jan 17 To 31 Dec 17 £000
Interest receivable from group companies	2	55
Other interest receivable	-	3
	<u>2</u>	<u>58</u>

8. Interest payable and similar expenses

	1 Jan 18 To 31 Mar 19 £000	1 Jan 17 To 31 Dec 17 £000
Bank interest payable	46	1
Loans from group undertakings	-	44
	<u>46</u>	<u>45</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2019

9. Taxation

	1 Jan 18 To 31 Mar 19 £000	1 Jan 17 To 31 Dec 17 £000
Corporation tax		
Current tax on (loss)/profits for the year	325	25
Adjustments in respect of previous periods	(24)	-
Total current tax	301	25
Deferred tax		
Origination and reversal of timing differences	24	(64)
Total deferred tax	24	(64)
Taxation on (loss)/profit on ordinary activities	325	(39)

Factors affecting tax charge for the year

The tax assessed for the period is higher than (2017: lower than) lower than the standard rate of corporation tax in the UK of 19.00% (2017 – 19.25%). The differences are explained below:

	1 Jan 18 To 31 Mar 19 £000	1 Jan 17 To 31 Dec 17 £000
(Loss)/Profit on ordinary activities before tax	(342)	473
(Loss)/Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2017 – 19.25%)	(65)	91
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	320	3
Expenses non deductible for tax purposes related to fixed assets	59	19
Adjustments to tax charge in respect of prior periods	(24)	(10)
Non-taxable income	-	(14)
Deferred tax not recognised	26	-
Effect of tax rate changes	9	6
Group relief	-	(134)
Total tax charge/(credit) for the period	325	(39)

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NOTES TO THE FINANCIAL STATEMENTS
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10. Intangible assets

	Other £000	Goodwill £000	Total £000
Cost			
At 1 January 2018	1,377	1,186	2,563
Addition	1	-	1
At 31 March 2019	1,378	1,186	2,564
Amortisation			
At 1 January 2018	1,304	198	1,502
Charge for the year	38	82	120
At 31 March 2019	1,342	280	1,622
Net book value			
At 31 March 2019	36	906	942
At 31 December 2017	73	988	1,061

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2019

11. Tangible fixed assets	Freehold property	Plant and machinery	Total
	£000	£000	£000
Cost or valuation			
At 1 January 2018	6,792	2,913	9,705
Additions	32	227	259
Disposals	-	(4)	(4)
At 31 March 2019	6,824	3,136	9,960
Depreciation			
At 1 January 2018	2,335	1,750	4,085
Charge for the year on owned assets	190	444	634
Disposals	-	(4)	(4)
At 31 March 2019	2,525	2,190	4,715
Net book value			
At 31 March 2019	4,299	946	5,245
At 31 December 2017	4,457	1,163	5,620

The net book value of land and buildings may be further analysed as follows:

	31 Mar 19 £000	31 Dec 17 £000
Freehold	4,299	4,457

Cost or valuation at 31 March 2019 is as follows:

	Land and buildings £000
At cost	5,207
At valuation	1,585
	6,792

WILLIAMSON-DICKIE EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2019

11. Tangible fixed assets (continued)

The freehold land and buildings were revalued in October 1989 on the basis of existing use by an independent firm of chartered surveyors. Freehold land and buildings purchased since that date are included at cost.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	31 Mar 19 £000	31 Dec 17 £000
Cost	880	880
Accumulated depreciation	(563)	(547)
Net book value	317	333

No deferred tax is provided on timing differences arising from the revaluation of fixed assets unless, by the balance sheet date, a binding commitment to sell the asset has been entered into and it is unlikely that the gain will be rolled over. There was no such commitment at the financial year end.

12. Fixed asset investments

The following were subsidiary undertakings (100% owned) of the company:

Subsidiary undertakings

Name	Country of Incorporation
Williamson-Dickie Europe GMBH	Germany
WO Europe SAS	France
Arsenal Fashion Espana SL	Spain
North East Rig-Out Limited	Scotland
Worldwide Workwear (UK) Ltd	Scotland

13. Stocks

	31 Mar 19 £000	31 Dec 17 £000
Raw materials and consumables	38	42
Stocks - finished goods	16,772	20,142
	16,810	20,184

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2019

14. Debtors

	31 Mar 19 £000	31 Dec 17 £000
Trade debtors	11,401	7,825
Amounts owed by group undertakings	603	2,376
Other debtors	363	277
Prepayments and accrued income	665	782
Deferred taxation	-	18
	<u>13,032</u>	<u>11,278</u>

15. Cash and cash equivalents

	31 Mar 19 £000	31 Dec 17 £000
Cash at bank and in hand	-	1,582
	<u>-</u>	<u>1,582</u>

16. Creditors: Amounts falling due within one year

	31 Mar 19 £000	31 Dec 17 £000
Overdraft	1,092	-
Trade creditors	1,927	2,451
Amounts owed to group undertakings	1,807	6,598
Corporation tax	52	-
Other taxation and social security	65	217
Accruals and deferred income	2,612	1,329
	<u>7,555</u>	<u>10,595</u>

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NOTES TO THE FINANCIAL STATEMENTS
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17. Financial instruments

	31 Mar 19 £000	31 Dec 17 £000
Financial assets		
Financial assets that are debt instruments measured at amortised cost	12,367	12,060
Financial liabilities		
Financial liabilities measured at amortised cost	(7,438)	(10,378)

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

Financial liabilities measured at amortised cost comprise of trade creditors, amounts owed to group undertakings, accruals and deferred income and bank loans and overdrafts.

18. Deferred taxation

	31 Mar 19 £000	31 Dec 17 £000
At beginning of year	18	(53)
Charged to profit or loss	(24)	71
At end of year	(6)	18

The deferred taxation balance is made up as follows:

	31 Mar 19 £000	31 Dec 17 £000
Accelerated capital allowances	-	18
Other timing differences	(6)	-
	(6)	18

WILLIAMSON-DICKIE EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2019

19. Share capital

	31 Mar 19 £000	31 Dec 17 £000
Authorised		
200,000 Ordinary shares of £1 each	200	200
Allotted, called up and fully paid		
88,250 Ordinary shares of £1 each	88	88

20. Reserves
Revaluation reserve

The revaluation reserve includes historic gains and losses on the revaluation of land and buildings.

Profit and loss account

The profit and loss account includes all current and prior period profits and losses.

21. Contingent liabilities

In June 2014 the Williamson-Dickie Holding Company entered into a \$140m Group Credit Facility with JP Morgan Chase Bank and various other financial institutions with the ability to expand the borrowings to \$190m. Williamson-Dickie Europe Limited is an authorised borrower under the Group Credit Agreement. The maturity date of this credit agreement is 20 June 2019.

WILLIAMSON-DICKIE EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2019

22. Pension commitments

The Company operates a Defined Benefit Pension Scheme.

The company operates a pension scheme that provided benefits based on final pensionable salary up to 5 April 1999 and then provided benefits on a money purchase basis from 6 April 1999 to the scheme's closure on 31 October 2003. A new Stakeholder pension scheme was established to provide benefits on a money purchase basis from 1 November 2003.

Reconciliation of present value of plan liabilities:

	31 Mar 19 £000	31 Dec 17 £000
Fair value of assets	1,466	1,502
Defined benefit obligation	(1,393)	(1,451)
Surplus	73	51
Effect of asset limit	(73)	(51)
Net asset/(liabilities)	-	-

Composition of plan assets:

	31 Mar 19 £000	31 Dec 17 £000
Equities	-	228
Gilts	473	-
Bonds	118	322
Cash	6	6
Insured pensioners	869	946
Total plan assets	1,466	1,502

WILLIAMSON-DICKIE EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2019

22. Pension commitments (continued)

The amounts recognised in profit or loss are as follows:

	31 Mar 19 £000	31 Dec 17 £000
Interest on obligation	(44)	39
Expected return on scheme assets	46	(39)
Total	2	-

Reconciliation of fair value of plan liabilities were as follow:

	31 Mar 19 £000	31 Dec 17 £000
Opening defined benefit obligation	1,451	1,432
Interest cost	44	39
Actuarial (gain)/loss	(14)	55
Benefits paid	(95)	(75)
Past service costs	7	-
Closing defined benefit obligation	1,393	1,451

Reconciliation of fair value of plan assets were as follows:

	31 Mar 19 £000	31 Dec 17 £000
Opening fair value of scheme assets	1,502	1,391
Expected return on assets	46	39
Actuarial gains	13	50
Contributions by employer	-	97
Benefits paid	(95)	(75)
	1,466	1,502

The Company expects to contribute £nil to its Defined Benefit Pension Scheme in 2020.

The amount of actuarial gains recognised in the statement of other comprehensive income was £5,000 (2017: loss £56,000).

WILLIAMSON-DICKIE EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2019

22. Pension commitments (continued)

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	31 Mar 19	31 Dec 17
	%	%
Discount rate	2.4	2.5
Post-retirement mortality		
Current pensioners at 65 - male	21.3	21.9
Current pensioners at 65 - female	23.2	23.7
Future pensioners at 65 - male	22.3	23
Future pensioners at 65 - female	24.4	25

Amounts for the current and previous four periods are as follows:

	31 Mar 19	31 Dec 17	31 Dec 16	31 Dec 15	31 Dec 14
	£000	£000	£000	£000	£000
Defined benefit obligation	(1,393)	(1,451)	(1,432)	(1,164)	(478)
Scheme assets	1,466	1,502	1,391	1,161	407
Surplus/(deficit)	73	51	(41)	(3)	(71)
Experience adjustments on scheme liabilities	(14)	(55)	(317)	116	(74)
Experience adjustments on scheme assets	13	50	239	(86)	10

From the 1 November 2003 the company had operated a Stakeholder pension scheme that provides benefits on a money purchase basis. The pension charge in the financial year relating to the scheme was £593,337 (2017: £593,567) which is equal to the contributions due for the year.

23. Commitments under operating leases

At 31 March 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	31 Mar 19	31 Dec 17
	£000	£000
Not later than 1 year	385	94
Later than 1 year and not later than 5 years	289	981
	674	1,075

WILLIAMSON-DICKIE EUROPE LIMITED

**NOTES TO THE FINANCIAL
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24. Related party transactions

The company is exempt under the terms of FRS 102 section 33 'Related party disclosures' from disclosing related party transactions with entities that are part of the Williamson-Dickie Holding Company group, and VF Corporation.

25. Controlling party

The directors regard VF Corporation, a company registered in the United States of America, as the ultimate parent company and controlling party by virtue of its ownership of the entire share capital. Williamson-Dickie Europe Holdings Limited, a company registered in England and Wales, is the immediate parent company of Williamson-Dickie Europe Limited. The VF Corporation produces consolidated financial statements in the United States of America and are available from 105 Corporate Centre Blvd, Greensboro, N.C. 27408.