

Company Registration No. 2038598

Timberland (UK) Limited

Annual report and financial statements

**For the 15 month period ended 31 March
2019**



Timberland (UK) Limited

Annual report and financial statements 2019

Officers and professional advisers

Directors

Martino Scabbia Guerrini
Alessandro Zucchini Solimei

Secretary

TMF Corporate
Administration Services
Limited

Registered Office

5th Floor
6 St Andrew Street
London
EC4A 3AE

Bankers

Lloyds TSB Bank plc
City Office
PO Box 72
Bailey Drive
Gillingham Business Park
Kent
ME8 OLS

Bank of America N.A.
26 Elmfield Road
Bromley
Kent
BR1 1WA

Solicitors

Olswang
Apex Plaza
Forbury Road
Reading
RG1 1AX

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

Timberland (UK) Limited

Directors' report for the 15 month period ended 31 March 2019

The directors present their annual report and the audited financial statements for the 15 month period ended 31 March 2019 for the company.

Principal activities and accounting reference date

The principal activities of the company is to generate interest from its cash balances.

On 16 January 2018, the company extended its accounting reference date to the 15 month ended 31 March 2019.

Results and dividends

Profit for the 15 month period ended 31 March 2019 was £486,000 (Year ended 31 December 2017: £327,000).

During the 15 month period ended 31 March 2019, no dividend has been paid (Year ended 31 December 2017: £nil). No other dividends have been proposed.

The position of the company at 31 March 2019 is detailed on page 7.

Given the nature of the business the company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business.

Future developments

Following the disposal of the business in 2013, the company continues to have a large cash balance of £36.9m (2017: £36.3m).

No change in the business is expected in the foreseeable future.

Directors

The directors of the company who were in office during the period and up to the date of signing the financial statements, except where stated are listed below:

- AZ Solimei
- MS Guerrini

Directors' liabilities

The company maintains liability insurance for its directors and officers. The company has also provided an indemnity for its directors and the secretary, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006. The qualifying indemnity was in force during the financial year and also at the date of approval of the financial statements.

Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the VF Corporation consolidated group ('group'). No significant risks remain with the company given the sale of the business mentioned above.

Financial risk management

Timberland (UK) Limited ceased the trading activities described above and therefore the financial risks described have reduced. The key risk that remains is the impact of interest rate movements as the company generates interest income on its cash balance. Management do not have a policy of hedging interest rate risks.

Timberland (UK) Limited

Directors' report for the 15 month period ended 31 March 2019 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial 15 month period. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Statement of disclosure of information to auditors

As at the date this report was signed, so far as each director is aware, there is no relevant audit information of which the auditors are unaware and each director has taken all steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

Independent auditors

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

Small company provisions

This report has been prepared in accordance with the special provisions relating to small companies under the small companies regime within Part 15 of the Companies Act 2006. In accordance with section 414B, the directors have taken the exemption from preparing a Strategic Report.

Approved by the Board of Directors and signed on behalf of the Board



Alessandro Zucchini Solimei

Director

21 August 2019

Timberland (UK) Limited

Independent auditors' report to the members of Timberland (UK) Limited

Report on the audit of the financial statements

Opinion

In our opinion, Timberland (UK) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the 15 month period (the "period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 March 2019; the profit and loss account, the statement of changes in equity for the 15 month period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- 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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Timberland (UK) Limited

Independent auditors' report to the members of Timberland (UK) Limited (continued)

Reporting on other information (continued)

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the period ended 31 March 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Mark Skedgel (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Birmingham

21 August 2019

Timberland (UK) Limited

Profit and loss account 15 month period ended 31 March 2019

	Notes	15 month period ended 31 March 2019 £'000	12 months ended 31 December 2017 £'000
Administrative expenses		(38)	(18)
Operating loss	5	(38)	(18)
Interest receivable and similar income	6	645	426
Profit on ordinary activities before taxation		607	408
Tax on profit on ordinary activities	8	(121)	(81)
Profit for the financial period/year		<u>486</u>	<u>327</u>

All of the company's results are derived from discontinued operations.

There is no other comprehensive income for the financial years other than those included above. Accordingly, no separate statement of comprehensive income is presented.

Timberland (UK) Limited

Balance sheet as at 31 March 2019

	Notes	31 March 2019 £'000	31 December 2017 £'000
Current assets			
Debtors	9	31	35
Cash at bank and in hand		36,864	36,322
		<u>36,895</u>	<u>36,357</u>
Creditors: amounts falling due within one year	10	(105)	(53)
Net current assets		<u>36,790</u>	<u>36,304</u>
Total assets less current liabilities		<u>36,790</u>	<u>36,304</u>
Net assets		<u>36,790</u>	<u>36,304</u>
Capital and reserves			
Called up share capital	11	4,738	4,738
Other reserves		166	166
Profit and loss account		31,886	31,400
Total equity		<u>36,790</u>	<u>36,304</u>

The financial statements on pages 6 to 13 of Timberland (UK) Limited (registered number 2038598) were approved by the Board of Directors on 21 August 2019.

Signed on behalf of the Board of Directors



Alessandro Zucchini Solimei
Director

Timberland (UK) Limited

Statement of changes in equity for the 15 month period ended 31 March 2019

	Called up share capital	Other reserves	Profit and loss account	Total Equity
	£'000	£'000	£'000	£'000
Balance at 1 January 2017	4,738	166	31,073	35,977
Profit for the year and total comprehensive income	-	-	327	327
Balance at 31 December 2017	4,738	166	31,400	36,304
Profit for the period and total comprehensive income	-	-	486	486
Balance at 31 March 2019	4,738	166	31,886	36,790

The other reserves relate to a capital contribution made in prior years.

The notes on pages 9 to 13 form part of these financial statements.

Timberland (UK) Limited

Notes to the financial statements 15 month period ended 31 March 2019

1. General information

The principal activity of Timberland (UK) Limited ("the company") is to generate interest from its cash balances.

The company is a private company, limited by shares, incorporated and domiciled in England in the UK. The address of its registered office is 5th Floor, 6 St. Andrew Street, London, EC4A 3AE.

2. Statement of compliance

The individual financial statements of the company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of accounting

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

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. Specific areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are detailed on page 11.

The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions. Exemptions under FRS 102 paragraph 1.12 have been applied: in relation to presentation of a cash flow statement, related party transactions, certain financial instrument disclosures and the non-disclosure of key management personnel compensation.

Cash flow statement

The company is a wholly owned subsidiary company of a group headed by VF Corporation, and is included in the consolidated financial statements of that company, which are publicly available via the company's website www.vfc.com. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 102 paragraph 1.12(b).

Related party transactions

The company has taken advantage of the exemption granted under FRS 102 paragraph 1.12 (e) to not disclose transactions with other group companies where they are wholly owned by a common parent entity.

Going concern

The company has positive net assets and net current assets and has sufficient financial resources with which to support itself. The directors therefore consider it appropriate to present the financial statements of the company as a going concern.

After making enquiries, 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 financial statements.

Timberland (UK) Limited

Notes to the financial statements 15 month period ended 31 March 2019 (continued)

3. Summary of significant accounting policies (continued)

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period.

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Financial instruments

The company has chosen to adopt sections 11 and 12 of FRS102 in respect of financial instruments.

Financial assets

Basic financial assets, including cash and bank balances and amounts owed by group undertakings, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rates of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the assets expire or are settled, or (b) substantially all the risk and rewards of the ownership of the asset are transferred to another party, or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Basic financial liabilities, including trade and other creditors and amounts owed to group undertakings are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest.

Share capital

Ordinary shares are classified as equity.

Timberland (UK) Limited

Notes to the financial statements **15 month period ended 31 March 2019 (continued)**

3. Summary of significant accounting policies (continued)

Critical accounting judgements and estimation uncertainty

Estimates and judgements 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 critical judgements in applying the entity's accounting policies are detailed below:

Going concern assessment

The key judgement in these financial statements is in respect of whether the Company remains a going concern. Given the fact that the Company has sold its trading activities in 2013, a judgement on the future status of the Company is required. Following this disposal, the Company ceased its existing trading activities but continues to remain in operational existence and the future trading activities remain under review. The Directors are satisfied that there are no plans in the near future to liquidate the company and as such it is concluded that the company remains a going concern.

4. Turnover

The company did not generate any turnover in the year (2017: £nil).

5. Operating loss

Operating loss is stated after charging:

	15 month period ended 31 March 2019 £'000	12 months ended 31 December 2017 £'000
Services provided by the Company's auditors		
- Fees payable for the statutory audit	12	12
- Fees payable for other assurance services	2	2
	<u>12</u>	<u>12</u>

6. Interest receivable and similar income

	15 month period ended 31 March 2019 £'000	12 months ended 31 December 2017 £'000
Bank interest receivable	645	426
	<u>645</u>	<u>426</u>

7. Staff costs and directors' emoluments

There were no employees during the period and the directors have no contract of service with the company.

The directors received no remuneration for their services to the company. Directors' emoluments are borne by the fellow group companies of the VF Corporation group of companies. The company was not recharged for directors' emoluments.

Retirement benefits are accruing to £nil (31 December 2017: £nil) directors under a group money purchase pension scheme.

Timberland (UK) Limited

Notes to the financial statements **15 month period ended 31 March 2019 (continued)**

8. Tax on profit on ordinary activities

(a) Analysis of tax charge in the period/year

	15 month period ended 31 March 2019 £'000	12 months ended 31 December 2017 £'000
Current tax:		
In respect of the period/year:		
UK corporation tax	121	81
Adjustments in respect of prior years	-	-
	121	81
Total tax charge	121	81

(b) Reconciliation of tax charge

The tax assessed for the 15 month period ended 31 March 2019 is higher than (Year ended 31 December 2017: higher than) the standard effective rate of corporation tax in the UK for the period ended 31 March 2019 of 19.00% (Year ended 31 December 2017: 19.25%). The differences are explained as:

	15 month period ended 31 March 2019 £'000	12 months ended 31 December 2017 £'000
Profit on ordinary activities before tax	607	408
Tax on profit on ordinary activities multiplied by the standard effective rate in the UK 19.00% (2017: 19.25%)	115	79
Effects of:		
Expenses not deductible for tax purposes	6	2
Total tax charge	121	81

The tax rate for the current year is lower than the prior year, due to changes in the UK corporation tax rate, which decreased from 20% to 19% from 1 April 2017. Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020.

Timberland (UK) Limited

Notes to the financial statements 15 month period ended 31 March 2019 (continued)

9. Debtors

	31 March 2019 £'000	31 December 2017 £'000
Amounts falling due within one year		
Amounts owed by group undertakings	31	32
Corporation tax recoverable	-	3
	<u>31</u>	<u>35</u>

Amounts owed by group undertakings are unsecured, receivable within 30 days and are interest free.

10. Creditors: amounts falling due within one year

	31 March 2019 £'000	31 December 2017 £'000
Corporation tax payable	16	-
Accruals and deferred income	89	53
	<u>105</u>	<u>53</u>

11. Called up share capital

	31 March 2019 £'000	31 December 2017 £'000
Allotted, called-up and fully paid:		
4,738,000 (31 December 2017: 4,738,000) Ordinary shares of £1 each	4,738	4,738

12. Financial instruments

	31 March 2019 £'000	31 December 2017 £'000
Financial assets that are debt instruments measured at amortised cost:		
Amounts owed by group undertakings	31	32
	<u>31</u>	<u>32</u>
Financial liabilities measured at amortised cost:		
Accruals	89	53
	<u>89</u>	<u>53</u>

13. Ultimate parent company and controlling party

The company is a wholly owned subsidiary of VF Northern Europe Limited, a company registered in Scotland, making this the immediate parent undertaking.

VF Northern Europe Limited is a wholly owned subsidiary of VF Investment Italy SARL which is incorporated in Luxembourg. The company's ultimate parent undertaking and controlling party is VF Corporation which is incorporated in the USA. It is also the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of VF Corporation's financial statements can be obtained from 628 Green Valley Road, Suite 500, Greensboro, NC 27408.