

Financial Statements H J Sock Group Limited

For the year ended 30 April 2015



Registered number: 02412782

Company Information

Directors	N P T Hall K F Hall J A Hall (appointed 26 November 2015)
Company secretary	K F Hall
Registered number	02412782
Registered office	Coventry Road Hinckley Leicestershire LE10 0JX
Auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Regent House 80 Regent Road Leicester LE1 7NH
Bankers	Barclays Bank Plc Barclays House Dominus Way Meridian Business Park Leicester LE19 1RP

Contents

	Page
Directors' report	1 - 2
Strategic report	3
Independent auditor's report	4 - 5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 - 16

Directors' report

For the year ended 30 April 2015

The directors present their report and the financial statements for the year ended 30 April 2015.

Dividends

Dividends paid in the period and proposed after the period end are disclosed in note 16 to the financial statements.

Directors

The directors who served during the year were:

N P T Hall
K F Hall

Mr J A Hall was appointed as a director on 26 November 2015.

Future developments

H J Hall Limited is amalgamating both Pantherella Limited and H J Sock Group Limited businesses onto one site to share resources and to develop a more competitive cost base.

To enable this plan H J Sock Group Limited has ceased production on its Hinckley site at the end of 2015 and will be moving all operations to the Pantherella Limited site in 2016.

Financial risk management objectives and policies

The company enjoys the stability that arises from a strong balance sheet with significant cash balances. This restricts the financial risk management that is necessary. There is some exposure to foreign exchange risk, the risks of which are mitigated by hedging. There is little credit risk as there is no material concentration of sales by any one customer.

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Directors' report

For the year ended 30 April 2015

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

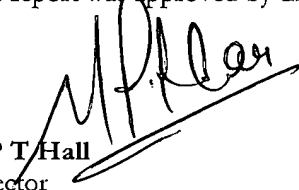
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that 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.

Auditor

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 14 January 2016 and signed on its behalf.



N P T Hall
Director

Strategic report

For the year ended 30 April 2015

Business review

The principal activity of the company during the year was the manufacture and distribution of hosiery.

The company's success is dependent on the design, brand awareness and selling directly into local markets. The company manufactures and also imports goods and competes in quality niche areas using high quality materials, skilled labour and sourcing complementary products.

The company sells mainly in the UK but also has good presence in Europe.

Manufacturing is controlled tightly and costs are controlled with close attention to material costs and production efficiency.

Principal risks and uncertainties

The principal risks from our manufacturing business arise from competition from abroad, UK labour costs and lack of investment in latest production machinery. In each of these cases the company has sought to ensure that products are applicable to markets, produced to a discernible high quality and sourcing from abroad is to a high standard.

With regard to transactions the company buys and sells in foreign currency and in order to evaluate and assess the risk the company has a robust foreign exchange policy.

The company is well positioned to support and retain a skilled workforce.

Financial key performance indicators

The financial key performance indicators are as follows:

	2015	2014
Gross margin	53%	55%
Shareholder return	0.7%	0.07%
Liquidity ratio	11.8	10.4

This report was approved by the board on 14 January 2016 and signed on its behalf.

N P T Hall
Director





Independent auditor's report to the members of H J Sock Group Limited

We have audited the financial statements of H J Sock Group Limited for the year ended 30 April 2015, which comprise the Profit and loss account, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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



Independent auditor's report to the members of H J Sock Group Limited

Matters on which we are required to report by exception

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

A handwritten signature in black ink, appearing to read "Grant Thornton UK LLP".

Christopher Frostwick (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
Leicester

14 January 2016

Profit and loss account

For the year ended 30 April 2015

		30 April 2015 £	10 months ended 30 April 2014 £
	Note		
Turnover	2	3,378,283	2,906,126
Cost of sales		(1,576,173)	(1,311,808)
Gross profit		1,802,110	1,594,318
Distribution costs		(51,993)	(50,809)
Administrative expenses		(1,731,437)	(1,544,998)
Operating profit/(loss)	3	18,680	(1,489)
Interest receivable and similar income		5,759	4,219
Profit on ordinary activities before taxation		24,439	2,730
Tax on profit on ordinary activities	6	28	(1,200)
Profit for the financial year		24,467	1,530

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and loss account.

The notes on pages 8 to 16 form part of these financial statements.

Balance sheet

As at 30 April 2015

	Note	£	2015 £	£	2014 £
Fixed assets					
Tangible assets	7		81,088		81,964
Investments	8		226,632		226,632
			<u>307,720</u>		<u>308,596</u>
Current assets					
Stocks	9	644,773		854,216	
Debtors	10	2,150,916		2,147,308	
Cash at bank and in hand		1,031,541		893,346	
		<u>3,827,230</u>		<u>3,894,870</u>	
Creditors: amounts falling due within one year	11	(269,543)		(291,934)	
Net current assets			<u>3,557,687</u>		<u>3,602,936</u>
Total assets less current liabilities			<u>3,865,407</u>		<u>3,911,532</u>
Creditors: amounts falling due after more than one year	12		(111,634)		(111,634)
Net assets			<u><u>3,753,773</u></u>		<u><u>3,799,898</u></u>
Capital and reserves					
Called up share capital	13		250,000		250,000
Profit and loss account	14		3,503,773		3,549,898
Shareholder's funds	15		<u><u>3,753,773</u></u>		<u><u>3,799,898</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 14 January 2016.


N P T Hall
 Director

The notes on pages 8 to 16 form part of these financial statements.

Notes to the financial statements

For the year ended 30 April 2015

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Consolidation

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EEA and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published consolidated accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.3 Cash Flow

The company has not produced a cash flow on the basis that its results are included in the consolidated accounts of H J Hall Limited which are publicly available.

1.4 Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year for goods supplied, exclusive of Value Added Tax. Invoices are raised at the point of despatch of goods.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & machinery	-	25% reducing balance method
Motor vehicles	-	25% reducing balance method
Computer equipment	-	25% reducing balance method

1.6 Investments

Investments held as fixed assets are shown at cost, less amounts written off.

1.7 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

1.8 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Notes to the financial statements

For the year ended 30 April 2015

1. Accounting policies (continued)

1.9 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.10 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

1.11 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2. Turnover

The whole of the turnover is attributable to the one principal activity of the company.

A geographical analysis of turnover is as follows:

	30 April 2015 £	10 months ended 30 April 2014 £
United Kingdom	2,891,836	2,459,604
Rest of European Union	417,301	356,365
Rest of world	69,146	90,157
	<u>3,378,283</u>	<u>2,906,126</u>

Notes to the financial statements

For the year ended 30 April 2015

3. Operating profit/(loss)

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

	30 April 2015 £	10 months ended 30 April 2014 £
Depreciation of tangible fixed assets:		
- owned by the company	22,478	21,164
Auditor's remuneration	9,850	9,750
Operating lease rentals:		
- plant and machinery	18,604	7,244
- other operating leases	67,200	52,269
Difference on foreign exchange	2,879	695
Loss on sale of tangible assets	-	(200)
	<u> </u>	<u> </u>

4. Limited Liability Agreement

The company has entered into a liability limitation agreement with Grant Thornton UK LLP, the statutory auditor, in respect of the statutory audit for the period ended 30 April 2015. The proportionate liability agreement follows the standard terms in Appendix B to the Financial Reporting Council's June 2008 Guidance on Auditor Liability Agreements, and was approved by the shareholders on 25 July 2014.

5. Staff costs

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

	30 April 2015 £	10 months ended 30 April 2014 £
Wages and salaries	973,129	823,426
Social security costs	106,351	82,026
Other pension costs	39,075	36,569
	<u> </u>	<u> </u>
	1,118,555	942,021
	<u> </u>	<u> </u>

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

	30 April 2015 No.	10 months ended 30 April 2014 No.
Employees	45	50
	<u> </u>	<u> </u>

Notes to the financial statements

For the year ended 30 April 2015

5. Staff costs (continued)

6. Taxation

	30 April 2015 £	10 months ended 30 April 2014 £
Analysis of tax (credit)/charge in the year/period		
UK corporation tax charge on profit for the year/period	-	1,200
Adjustments in respect of prior periods	(28)	-
	<u>(28)</u>	<u>1,200</u>
Tax on profit on ordinary activities	<u>(28)</u>	<u>1,200</u>

Factors affecting tax charge for the year/period

The tax assessed for the year/period is lower than (2014 - higher than) the standard rate of corporation tax in the UK of 20.92% (2014 - 20.00%). The differences are explained below:

	30 April 2015 £	10 months ended 30 April 2014 £
Profit on ordinary activities before tax	<u>24,439</u>	<u>2,730</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.92% (2014 - 20.00%)	5,113	546
Effects of:		
Expenses not deductible for tax purposes	88	39
Difference between capital allowances for year and depreciation	(983)	1,085
Adjustments to tax charge in respect of prior periods	(28)	-
Other timing differences leading to an (decrease)/increase in taxation	(443)	1,262
Tax losses utilised in the year	(2,570)	(1,732)
Group relief received	(1,205)	-
	<u>(28)</u>	<u>1,200</u>
Current tax (credit)/charge for the year/period (see note above)	<u>(28)</u>	<u>1,200</u>

Notes to the financial statements

For the year ended 30 April 2015

6. Taxation (continued)

At 30 April 2015 the company has unrelieved tax losses of approximately £37,200 (2014 - £49,600) available to offset against future taxable trading profits.

At 30 April 2015 the company had unprovided deferred tax assets of approximately £10,000 (2014 - £14,000).

7. Tangible fixed assets

	Plant & machinery £	Motor vehicles £	Computer equipment £	Total £
Cost				
At 1 May 2014	2,181,389	58,269	111,319	2,350,977
Additions	-	14,000	9,050	23,050
Disposals	(49,674)	-	-	(49,674)
At 30 April 2015	2,131,715	72,269	120,369	2,324,353
Depreciation				
At 1 May 2014	2,148,904	26,261	93,848	2,269,013
Charge for the year	7,553	8,295	6,630	22,478
On disposals	(48,226)	-	-	(48,226)
At 30 April 2015	2,108,231	34,556	100,478	2,243,265
Net book value				
At 30 April 2015	23,484	37,713	19,891	81,088
At 30 April 2014	32,485	32,008	17,471	81,964

8. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 May 2014 and 30 April 2015	226,632
Net book value	
At 30 April 2015	226,632
At 30 April 2014	226,632

Notes to the financial statements

For the year ended 30 April 2015

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Nature of business	Holding	Class of Shares
Pantherella Limited	Manufacture and distribution of hosiery	100%	Ordinary
H J Hall & Son Limited	Dormant	100%	A & B Ordinary
H J Hallsports (Leicester) Limited	Dormant	100%	Ordinary
H J Indestructible Sock Co Ltd	Dormant	100%	Ordinary
Hallmark Hosiery (Hinckley) Limited	Dormant	100%	Ordinary
John Scott-Nichol Limited	Dormant	100%	A & B Ordinary

At 30 April 2015 Pantherella Limited held the whole of the allotted ordinary share capital of Pantherella USA Incorporated, which is registered in the United States of America. The principal activity of the business is the distribution of hosiery.

Group accounts have not been prepared as the company is itself the wholly owned subsidiary undertaking of H J Hall Limited incorporated in the United Kingdom, which prepares consolidated financial statements.

9. Stocks

	2015	2014
	£	£
Raw materials	77,347	101,380
Work in progress	185,241	313,363
Finished goods and goods for resale	382,185	439,473
	<u>644,773</u>	<u>854,216</u>

10. Debtors

	2015	2014
	£	£
Due after more than one year		
Amounts owed by group undertakings	1,658,932	1,658,932
Due within one year		
Trade debtors	366,275	374,903
Other debtors	32,109	35,844
Prepayments and accrued income	93,600	77,629
	<u>2,150,916</u>	<u>2,147,308</u>

Notes to the financial statements

For the year ended 30 April 2015

11. Creditors:

Amounts falling due within one year

	2015	2014
	£	£
Trade creditors	88,959	159,680
Amounts owed to group undertakings	22,337	189
Corporation tax	-	1,200
Other taxation and social security	83,123	51,670
Accruals and deferred income	75,124	79,195
	<u>269,543</u>	<u>291,934</u>

12. Creditors:

Amounts falling due after more than one year

	2015	2014
	£	£
Amounts owed to group undertakings	<u>111,634</u>	<u>111,634</u>

13. Share capital

	2015	2014
	£	£
Allotted, called up and fully paid		
250,000 Ordinary shares of £1 each	<u>250,000</u>	<u>250,000</u>

14. Reserves

	Profit and loss account
	£
At 1 May 2014	3,549,898
Profit for the financial year	24,467
Dividends: Equity capital	(70,592)
	<u>3,503,773</u>
At 30 April 2015	

Notes to the financial statements

For the year ended 30 April 2015

15. Reconciliation of movement in shareholder's funds

	2015 £	2014 £
Opening shareholder's funds	3,799,898	3,873,368
(Loss)/profit for the year/period	24,467	1,530
Dividends (Note 16)	(70,592)	(75,000)
Closing shareholder's funds	<u>3,753,773</u>	<u>3,799,898</u>

16. Dividends

	30 April 2015 £	10 months ended 30 April 2014 £
Dividends paid on equity capital	<u>70,592</u>	<u>75,000</u>

17. Contingent liabilities

The company has given an unlimited cross-guarantee to Barclays Bank PLC in respect of the bank borrowings of Pantherella Limited, a subsidiary undertaking. At 30 April 2015 the liability under this guarantee was £nil (2014 - £nil).

Notes to the financial statements

For the year ended 30 April 2015

18. Pension commitments

Defined contribution scheme

The company operates a defined contribution scheme for the benefit of certain employees. The assets of the scheme are administered by trustees in funds independent from those of the company.

The pension cost charge for the period amounted to £39,075 (2014 - £36,569). Contributions outstanding at 30 April 2015 amounted to £17,305 (2014 - £1,812).

19. Operating lease commitments

At 30 April 2015 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2015	2014	2015	2014
	£	£	£	£
Expiry date:				
Between 2 and 5 years	-	-	-	8,693
After more than 5 years	115,000	115,000	-	-
	<u>115,000</u>	<u>115,000</u>	<u>-</u>	<u>-</u>

20. Related party transactions

The company was charged rent of £67,200 (2014 - £52,269) by Hallmark Properties (Leic) Limited and recharged expenses of £93,640 (2014 - £78,223) to Hallmark Properties (Leic) Limited. At 30 April 2015 a balance of £8,073 (2014 - £21,897) was due from Hallmark Properties (Leic) Limited. The directors of the company are also directors of Hallmark Properties (Leic) Limited.

As a wholly owned subsidiary of H J Hall Limited the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by H J Hall Limited.

21. Post balance sheet events

H J Hall Limited is amalgamating both Pantherella Limited and H J Sock Group Limited businesses onto one site to share resources and to develop a more competitive cost base.

To enable this plan H J Sock Group Limited has ceased production on its Hinckley site at the end of 2015 and will be moving all operations to the Pantherella Limited site in 2016.

22. Ultimate parent undertaking and controlling party

The parent undertaking of this company is H J Hall Limited. The company is included in consolidated financial statements of that group.

H J Hall Limited is the company's controlling related party under the definitions set out in FRS 8 by virtue of its shareholding in the company. The ultimate controlling related party of the company under the definitions set out in FRS 8 is N P T Hall by virtue of his shareholding in H J Hall Limited.