

**Strategic Report, Report of the Directors and**

**Audited Financial Statements**

**For The Year Ended 31 December 2020**

**for**

**Gardiner Bros. and Company (Leathers)**  
**Limited**

**Gardiner Bros. and Company (Leathers)**  
**Limited (Registered number: 00534801)**

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**For The Year Ended 31 December 2020**

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**Gardiner Bros. and Company (Leathers)**  
**Limited**

**Company Information**  
**For The Year Ended 31 December 2020**

**DIRECTORS:**

R J Gardiner  
P G Gardiner  
B J Gardiner  
M Holloway  
J R Gardiner

**SECRETARY:**

P G Gardiner

**REGISTERED OFFICE:**

Units F & G Quedgeley West Business Park  
Bristol Road  
Hardwicke  
Gloucester  
Gloucestershire  
GL2 4PH

**REGISTERED NUMBER:**

00534801 (England and Wales)

**AUDITORS:**

Kingscott Dix Limited  
Chartered Accountants  
and Statutory Auditor  
Goodridge Court  
Goodridge Avenue  
Gloucester  
Gloucestershire  
GL2 5EN

**Gardiner Bros. and Company (Leathers)**  
**Limited (Registered number: 00534801)**

**Strategic Report**  
**For The Year Ended 31 December 2020**

The directors present their strategic report for the year ended 31 December 2020.

The Board are satisfied with the performance of the business in the year ending 31st December 2020.

**Principal Activities:**

The business continues to distribute footwear and accessories to the UK omni-channel retail market offering a variety of services to both retailers and brands, primarily through:

- Wholesale to traditional bricks and mortar retailers;
- Online range extension services to omni-channel retailers and pure play e-tailers;
- Direct to consumer web sites on behalf of brands;
- Design and resource of customer own brands;
- Licenced design and resource of global brands to distribute in the UK and Europe.

The business is widening its product portfolio categories to provide distribution services for new product categories through its customer portfolio.

A clear strategic focus for the business is to be the best partner that retailers and brands have in order to multiply routes to market for both.

The business also provides management and distribution services to Footsure Western Ltd.

**Principal Objectives:**

The principal objective of the business is to maintain and grow its market share in the footwear retail market in the United Kingdom and to grow through export.

The business is achieving this objective through its main strategies of:

- Developing its omni-channel market service offering to both retailers and footwear brands; and
- Developing its stable of international brands and brands that it owns and develops itself.

The business is also developing an ongoing strategy of widening its product categories beyond footwear.

**Gardiner Bros. and Company (Leathers)**  
**Limited (Registered number: 00534801)**

**Strategic Report**  
**For The Year Ended 31 December 2020**

**REVIEW OF BUSINESS**

**Performance in 2020:**

The business grew by 38% in 2020.

During the lockdowns caused by the global pandemic the business was able to focus its efforts on its digital offering and whilst traditional wholesale declined during lockdown periods sales of products through online range extension and direct to consumer grew significantly.

The growth of sales was also driven by the addition of new brands, new omni-channel retail partners and increasing products listed with existing partners.

Growth in 2021 has accelerated and we expect sales to grow more quickly during 2021.

The development of the business' omni-channel strategy in 2021 delivering virtual distribution through online range extension has accelerated and sales to traditional bricks retailers has recovered to levels higher than prior to the Coronavirus pandemic.

Profit on Ordinary Activities before taxation grew significantly in 2020 as sales and gross profit margins improved and costs were carefully controlled. Our 2021 results are expected to see further significant improvement.

The company imports a significant amount of its products from suppliers who invoice in Euros or US Dollars.

The company adopts a strategy of hedging foreign currency commitments forward in order to ensure stability in pricing to its customers.

The company continues to grow its omni-channel service to customers and continues to add new brands to its portfolio.

**2021 Performance:**

2021 has seen a continued increase in sales driven, in particular, by partnering with additional virtual distribution retail customers and increasing listings of product with them.

Gross profit margins continue to improve as our service mix changes.

Accordingly the directors expect the operating profit and profit on ordinary activities before taxation to grow significantly in 2021.

The business continues to invest in software and people to further enhance and improve the service it offers to the retailers and brands that it partners with.

The Board take a long term view of the potential for the business and retain profits within the business to allow for ongoing investment in the service package it offers retailers.

During 2021 the business has agreed leases on two new warehouse facilities near to its existing facilities which will provide an additional 172,000 square footprint of warehouse. This will reduce the need for the business to rely on external warehouse services.

The business is investing significantly in fitting out the larger of the two new warehouses with mezzanine floors, automation and new WMS and WCS technology to create a far more efficient additional 165,000 square foot of fine pick space.

This new warehouse should enable the business to further grow its portfolio of brands and categories as well as further enhance the speed of its deliveries. This should deliver ongoing ambitious growth targets for the next few years.

**Gardiner Bros. and Company (Leathers)**  
**Limited (Registered number: 00534801)**

**Strategic Report**  
**For The Year Ended 31 December 2020**

Full operational use of these two new units will occur during the first six months of 2022 as the business completes its period of fitting out of the new units.

Footsure Western Ltd will also benefit from these new investments.

**PRINCIPAL RISKS AND UNCERTAINTIES**

**Change in Market:** The principal risk and uncertainty facing the business is the rapid change in the way that the retail market in the UK is structured. The business is overcoming that risk and uncertainty by developing new omni channel services and processes to lead the way in servicing the ever-changing retail market in the UK.

**Currency Exchange Risk:** The company continues to hedge currency to provide stability.

**Brexit Planning:** The company's main business is within the UK and the company imports the majority of its stock. The company carried out full no deal Brexit planning and put in place systems and strategies to manage the outcome of the Government's deal with the EU at the end of 2020. During 2021 the company has grown its export sales to Europe as it has been able to maintain services.

**Supply chain issues post pandemic:** The company has been impacted by the increasing issues in shipping goods to the UK during and post the pandemic and is impacted by the increased costs of shipments. The company has mitigated these risks by increasing stock holdings in order to maintain service levels and by detailed cost planning and analysis to manage price changes effectively.

The Board maintain a risk register that is reviewed at monthly board meetings.

**MAIN KPIs**

The principal KPIs that the company uses to manage its performance are:

**FINANCIAL**

**SALES:** Sales grew in 2020 and continue to grow in 2021.

**GP%:** The gross profit margin grew in 2020 and is growing in 2021.

**NON FINANCIAL**

**AVAILABILITY:** Availability of stock when required remains at targeted levels between 90% and 95% in 2020 and 2021.

**RETURNS:** Returns of goods for poor quality continued to decline and is now consistently around 1%.

**ON BEHALF OF THE BOARD:**

J R P Gardiner - Director

28 September 2021

**Gardiner Bros. and Company (Leathers)**  
**Limited (Registered number: 00534801)**

**Report of the Directors**  
**For The Year Ended 31 December 2020**

The directors present their report with the financial statements of the company for the year ended 31 December 2020.

**PRINCIPAL ACTIVITY**

The business continues to distribute footwear and accessories to the UK retail market.

The business sells footwear and accessories to the UK retail market and also provides management and distribution services to Footsure Western Ltd.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2020.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

R J Gardiner  
P G Gardiner  
B J Gardiner  
M Holloway  
J R Gardiner

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 judgements 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.

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.

**Gardiner Bros. and Company (Leathers)**  
**Limited (Registered number: 00534801)**

**Report of the Directors**  
**For The Year Ended 31 December 2020**

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**ON BEHALF OF THE BOARD:**

J R P Gardiner - Director

28 September 2021



**Report of the Independent Auditors to the Members of**  
**Gardiner Bros. and Company (Leathers)**  
**Limited**

**Opinion**

We have audited the financial statements of Gardiner Bros. and Company (Leathers) Limited (the 'company') for the year ended 31 December 2020 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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 December 2020 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.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

**Opinions 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**Report of the Independent Auditors to the Members of**  
**Gardiner Bros. and Company (Leathers)**  
**Limited**

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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.

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page five, 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 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.

**Report of the Independent Auditors to the Members of**  
**Gardiner Bros. and Company (Leathers)**  
**Limited**

**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 a Report of the Auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In assigning the audit engagement team we ensured that collectively they had the appropriate competence and capabilities to identify non-compliance with laws and regulations, highlight areas of the financial statements particularly susceptible to fraud and conduct appropriate additional enquiries where suspicions or weaknesses became evident.

At the planning stage, we assessed the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur. This involved preliminary planning discussions with management to obtain their assessment of fraud risk, to identify any incidences of fraud during the year and understand the measures and controls they had taken to combat the possibility of fraud.

Our transaction testing and assessment of controls during the audit provided further evidence as to the validity of this initial assessment with regard to material misstatement and fraud.

We identified areas of law and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the Directors (as required by auditing standards), and inspection of the Company's regulatory and legal correspondence. The team were briefed with regard to laws and regulations and remained alert to any indication of non-compliance throughout the audit.

The company is subject to laws and regulations that directly affect the financial statements including legislation covering financial reporting (related companies, distributable profits and taxation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. In assessing this compliance, we evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates in the measurement and presentation of profit within the financial statements.

The company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, employment laws, GDPR and regulations recognising the nature of the company's activities. Audit procedures designed to identify non-compliance with these laws and regulations included enquiry of the Directors and other management and inspection of regulatory and legal correspondence. None of the procedures applied identified actual or suspected non-compliance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. Where an irregularity is non-financial or has not reached a stage where its impact is financial, it is less likely to be identified by auditing procedures. In addition, to the extent that an irregularity involves collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls, there remains a high risk of non-detection. We are not responsible for detecting all instances of non-compliance with laws and regulations and cannot be expected to do so.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**Report of the Independent Auditors to the Members of**  
**Gardiner Bros. and Company (Leathers)**  
**Limited**

**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 a Report of the Auditors 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.

Mark Spashett BSc FCA (Senior Statutory Auditor)  
for and on behalf of Kingscott Dix Limited  
Chartered Accountants  
and Statutory Auditor  
Goodridge Court  
Goodridge Avenue  
Gloucester  
Gloucestershire  
GL2 5EN

29 September 2021

**Gardiner Bros. and Company (Leathers)**  
**Limited (Registered number: 00534801)**

**Income Statement**  
**For The Year Ended 31 December 2020**

	Notes	31.12.20 £	£	31.12.19 £	£
<b>TURNOVER</b>	3		20,500,720		14,903,601
Cost of sales			14,445,998		10,861,942
<b>GROSS PROFIT</b>			6,054,722		4,041,659
Distribution costs		2,096,948		1,820,842	
Administrative expenses		5,803,343		5,253,578	
			7,900,291		7,074,420
			(1,845,569)		(3,032,761)
Other operating income			4,812,160		4,583,296
<b>OPERATING PROFIT</b>	5		2,966,591		1,550,535
Gain/loss on revaluation of investment property			-		(72,300)
			2,966,591		1,478,235
Interest payable and similar expenses	6		154,456		131,813
<b>PROFIT BEFORE TAXATION</b>			2,812,135		1,346,422
Tax on profit	7		539,696		238,422
<b>PROFIT FOR THE FINANCIAL YEAR</b>			2,272,439		1,108,000

The notes form part of these financial statements

**Gardiner Bros. and Company (Leathers)**  
**Limited (Registered number: 00534801)**

**Other Comprehensive Income**  
**For The Year Ended 31 December 2020**

	31.12.20 £	31.12.19 £
Notes		
<b>PROFIT FOR THE YEAR</b>	2,272,439	1,108,000
<b>OTHER COMPREHENSIVE INCOME</b>	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		
<b>FOR THE YEAR</b>	<u>2,272,439</u>	<u>1,108,000</u>

The notes form part of these financial statements

**Gardiner Bros. and Company (Leathers)  
Limited (Registered number: 00534801)**

**Balance Sheet  
31 December 2020**

	Notes	31.12.20 £	£	31.12.19 £	£
<b>FIXED ASSETS</b>					
Intangible assets	8		10,837		12,644
Tangible assets	9		799,994		946,722
Investments	10		262,770		262,770
Investment property	11		70,000		70,000
			<u>1,143,601</u>		<u>1,292,136</u>
<b>CURRENT ASSETS</b>					
Stocks	12	4,690,694		5,923,337	
Debtors	13	11,138,192		4,733,319	
Cash at bank and in hand		<u>526,433</u>		<u>6,720</u>	
		16,355,319		10,663,376	
<b>CREDITORS</b>					
Amounts falling due within one year	14	<u>6,016,182</u>		<u>6,682,145</u>	
<b>NET CURRENT ASSETS</b>			<u>10,339,137</u>		<u>3,981,231</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			11,482,738		5,273,367
<b>CREDITORS</b>					
Amounts falling due after more than one year	15		(3,958,333)		-
<b>PROVISIONS FOR LIABILITIES</b>	19		<u>(120,351)</u>		<u>(141,752)</u>
<b>NET ASSETS</b>			<u>7,404,054</u>		<u>5,131,615</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	20		6,784		6,784
Retained earnings	21		<u>7,397,270</u>		<u>5,124,831</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>7,404,054</u>		<u>5,131,615</u>

The financial statements were approved by the Board of Directors and authorised for issue on 28 September 2021 and were signed on its behalf by:

J R P Gardiner - Director

**Gardiner Bros. and Company (Leathers)**  
**Limited (Registered number: 00534801)**

**Statement of Changes in Equity**  
**For The Year Ended 31 December 2020**

	Called up share capital £	Retained earnings £	Investment Property Revaluation reserve £	Total equity £
<b>Balance at 1 January 2019</b>	6,784	3,977,705	39,126	4,023,615
<b>Changes in equity</b>				
Total comprehensive income	-	1,147,126	(39,126)	1,108,000
<b>Balance at 31 December 2019</b>	<u>6,784</u>	<u>5,124,831</u>	<u>-</u>	<u>5,131,615</u>
<b>Changes in equity</b>				
Total comprehensive income	-	2,272,439	-	2,272,439
<b>Balance at 31 December 2020</b>	<u>6,784</u>	<u>7,397,270</u>	<u>-</u>	<u>7,404,054</u>

The notes form part of these financial statements



**Gardiner Bros. and Company (Leathers)**  
**Limited (Registered number: 00534801)**

**Cash Flow Statement**  
**For The Year Ended 31 December 2020**

	Notes	31.12.20 £	31.12.19 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(272,975)	803,945
Interest paid		(153,509)	(131,195)
Interest element of hire purchase or finance lease rental payments paid		-	(618)
Government grants received		42,473	-
Tax paid		(160,517)	(1)
Net cash from operating activities		<u>(544,528)</u>	<u>672,131</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(221,458)	(140,139)
Purchase of investment property		-	(300)
Net cash from investing activities		<u>(221,458)</u>	<u>(140,439)</u>
<b>Cash flows from financing activities</b>			
New loans in year		5,000,000	-
Capital repayments in year		-	(4,520)
Amount introduced by directors		93,996	101,405
Amount withdrawn by directors		(272,283)	(137,000)
Preference shares redeemed		(12,881)	-
Net cash from financing activities		<u>4,808,832</u>	<u>(40,115)</u>
<b>Increase in cash and cash equivalents</b>		<u>4,042,846</u>	<u>491,577</u>
<b>Cash and cash equivalents at beginning of year</b>	2	<u>(3,516,413)</u>	<u>(4,007,990)</u>
<b>Cash and cash equivalents at end of year</b>	2	<u>526,433</u>	<u>(3,516,413)</u>

The notes form part of these financial statements

**Gardiner Bros. and Company (Leathers)**  
**Limited (Registered number: 00534801)**

**Notes to the Cash Flow Statement**  
**For The Year Ended 31 December 2020**

**1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	31.12.20	31.12.19
	£	£
Profit before taxation	2,812,135	1,346,422
Depreciation charges	367,474	230,155
Loss on disposal of fixed assets	2,518	-
Loss on revaluation of fixed assets	-	72,300
Government grants	(42,473)	-
Finance costs	154,456	131,813
	<u>3,294,110</u>	<u>1,780,690</u>
Decrease in stocks	1,232,643	1,851,184
Increase in trade and other debtors	(6,404,873)	(1,637,192)
Increase/(decrease) in trade and other creditors	1,605,145	(1,190,737)
<b>Cash generated from operations</b>	<u><u>(272,975)</u></u>	<u><u>803,945</u></u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31 December 2020**

	31.12.20	1.1.20
	£	£
Cash and cash equivalents	526,433	6,720
Bank overdrafts	-	(3,523,133)
	<u><u>526,433</u></u>	<u><u>(3,516,413)</u></u>

**Year ended 31 December 2019**

	31.12.19	1.1.19
	£	£
Cash and cash equivalents	6,720	6,027
Bank overdrafts	(3,523,133)	(4,014,017)
	<u><u>(3,516,413)</u></u>	<u><u>(4,007,990)</u></u>

The notes form part of these financial statements

**Gardiner Bros. and Company (Leathers)**  
**Limited (Registered number: 00534801)**

**Notes to the Cash Flow Statement**  
**For The Year Ended 31 December 2020**

3. **ANALYSIS OF CHANGES IN NET DEBT**

	At 1.1.20 £	Cash flow £	At 31.12.20 £
<b>Net cash</b>			
Cash at bank and in hand	6,720	519,713	526,433
Bank overdrafts	<u>(3,523,133)</u>	<u>3,523,133</u>	<u>-</u>
	<u>(3,516,413)</u>	<u>4,042,846</u>	<u>526,433</u>
<b>Debt</b>			
Debts falling due within 1 year	(12,881)	(1,028,786)	(1,041,667)
Debts falling due after 1 year	<u>-</u>	<u>(3,958,333)</u>	<u>(3,958,333)</u>
	<u>(12,881)</u>	<u>(4,987,119)</u>	<u>(5,000,000)</u>
<b>Total</b>	<u>(3,529,294)</u>	<u>(944,273)</u>	<u>(4,473,567)</u>

The notes form part of these financial statements

**Gardiner Bros. and Company (Leathers)**  
**Limited (Registered number: 00534801)**

**Notes to the Financial Statements**  
**For The Year Ended 31 December 2020**

**1. STATUTORY INFORMATION**

Gardiner Bros. and Company (Leathers) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

**Preparation of consolidated financial statements**

The financial statements contain information about Gardiner Bros. and Company (Leathers) Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

**Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when goods are dispatched.

**Management Charges**

Revenue from management charges to associated undertakings is recognised on a straight-line accruals basis and represent the recharge of costs incurred in respect of the transaction.

**Rental Income**

Turnover represents rental income from the company's portfolio of investment properties. The company recognises such revenue on a straight line accruals basis.

**Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Patents and licences are being amortised evenly over their estimated useful life of nil years.

**Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life, or if held under a finance lease, over the lease term, whichever is shorter.

Short leasehold	- 12.5% on reducing balance
Machinery and equipment	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 20% on cost

**Investments in subsidiaries and associates**

Investments in subsidiary and associate undertakings are recognised at cost less any provision for impairment.

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 December 2020**

**2. ACCOUNTING POLICIES - continued**

**Investment property**

Investment property is shown at its open market valuation. Any surplus arising from changes in market value are transferred to a revaluation reserve.

Deficits arising from changes in market value, are transferred to the profit and loss account, unless they are of a temporary nature or that they reverse previous gains, then they are taken to the revaluation reserve.

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Costs represent the delivered cost of the stock item and includes carriage, etc.

**Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

**Basic financial assets**

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

**Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

**Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 December 2020**

2. **ACCOUNTING POLICIES - continued**

**Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

**Basic financial liabilities**

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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. If not, they are presented as creditors falling due after more than one year. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**Derecognition of financial liabilities**

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Research and development**

Expenditure on research and development is written off in the year in which it is incurred.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

From time to time the company enters into forward contracts in an attempt to hedge the risks in relation to foreign exchange. These forward contracts are accounted for by recognising a derivative asset or liability at the date of inception of the contract, with any changes in its fair value taken to the profit and loss account.

**Gardiner Bros. and Company (Leathers)**  
**Limited (Registered number: 00534801)**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 December 2020**

**2. ACCOUNTING POLICIES - continued**

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals on leased assets where the risks and rewards remain with the lessor, are accounted for on a payable basis and are charged to the profit and loss account in the period to which they relate.

**Pension costs and other post-retirement benefits**

The company operates a small self administered money purchase pension scheme and contributes to personal pensions of employees outside of the self administered scheme. Contributions payable for the year are charged in the profit and loss account.

**Debt factoring**

Those debtors which are subject to debt factoring remain the responsibility of the Company and as a result are shown as Trade debtors in the financial statements, the amount advanced by the debt factoring company being recognised as a creditor.

Factoring charges are recognised on a payable basis in the period to which they relate.

**3. TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	31.12.20	31.12.19
	£	£
United Kingdom	20,198,956	14,734,666
Remainder of Europe	214,405	128,889
Rest of World	87,359	40,046
	<u>20,500,720</u>	<u>14,903,601</u>

**4. EMPLOYEES AND DIRECTORS**

	31.12.20	31.12.19
	£	£
Wages and salaries	4,627,246	3,924,914
Social security costs	435,631	358,940
Other pension costs	151,632	123,288
	<u>5,214,509</u>	<u>4,407,142</u>

**Gardiner Bros. and Company (Leathers)**  
**Limited (Registered number: 00534801)**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 December 2020**

**4. EMPLOYEES AND DIRECTORS - continued**

The average number of employees during the year was as follows:

	31.12.20	31.12.19
Directors	3	5
Admin and sales	76	43
Warehouse, support and operations	99	82
	<u>178</u>	<u>130</u>

	31.12.20	31.12.19
	£	£
Directors' remuneration	448,117	407,876
Directors' pension contributions to money purchase schemes	<u>43,001</u>	<u>26,733</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>3</u>	<u>3</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows:

	31.12.20	31.12.19
	£	£
Emoluments etc	<u>180,249</u>	<u>166,911</u>

**5. OPERATING PROFIT**

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

	31.12.20	31.12.19
	£	£
Operating lease income	(4,067)	(6,600)
Depreciation - owned assets	365,668	228,349
Loss on disposal of fixed assets	2,518	-
Patents and licences amortisation	1,807	1,806
Auditors' remuneration	14,700	14,530
Auditors' remuneration for non audit work	5,037	3,000
Operating leases - land and buildings	<u>591,965</u>	<u>540,879</u>

**6. INTEREST PAYABLE AND SIMILAR EXPENSES**

	31.12.20	31.12.19
	£	£
Bank interest	113,688	131,195
Bank loan interest	39,822	-
Interest on tax,VAT	946	-
Hire purchase	-	618
	<u>154,456</u>	<u>131,813</u>



**Gardiner Bros. and Company (Leathers)**  
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**Notes to the Financial Statements - continued**  
**For The Year Ended 31 December 2020**

**7. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	31.12.20 £	31.12.19 £
Current tax:		
UK corporation tax	562,278	190,841
Adjustment to prior year tax	(1,181)	-
Total current tax	<u>561,097</u>	<u>190,841</u>
Deferred tax	(21,401)	47,581
Tax on profit	<u>539,696</u>	<u>238,422</u>

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.20 £	31.12.19 £
Profit before tax	<u>2,812,135</u>	<u>1,346,422</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	534,306	255,820
Effects of:		
Expenses not deductible for tax purposes	5,753	53
Depreciation in excess of capital allowances	22,219	35,815
Utilisation of tax losses	-	(19,422)
Adjustments to tax charge in respect of previous periods	(1,181)	-
(Gain)/Loss on revaluation of investment property	-	13,737
Deferred tax	(21,401)	(47,581)
Total tax charge	<u>539,696</u>	<u>238,422</u>

**Gardiner Bros. and Company (Leathers)  
Limited (Registered number: 00534801)**

**Notes to the Financial Statements - continued  
For The Year Ended 31 December 2020**

**8. INTANGIBLE FIXED ASSETS**

	Patents and licences £
<b>COST</b>	
At 1 January 2020 and 31 December 2020	18,062
<b>AMORTISATION</b>	
At 1 January 2020	5,418
Amortisation for year	1,807
At 31 December 2020	7,225
<b>NET BOOK VALUE</b>	
At 31 December 2020	10,837
At 31 December 2019	12,644

**9. TANGIBLE FIXED ASSETS**

	Short leasehold £	Machinery and equipment £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>					
At 1 January 2020	20,134	1,458,461	55,314	1,138,269	2,672,178
Additions	-	89,479	31,469	100,510	221,458
Disposals	-	(2,518)	-	-	(2,518)
At 31 December 2020	20,134	1,545,422	86,783	1,238,779	2,891,118
<b>DEPRECIATION</b>					
At 1 January 2020	7,798	1,126,659	38,059	552,940	1,725,456
Charge for year	2,503	89,650	4,969	268,546	365,668
At 31 December 2020	10,301	1,216,309	43,028	821,486	2,091,124
<b>NET BOOK VALUE</b>					
At 31 December 2020	9,833	329,113	43,755	417,293	799,994
At 31 December 2019	12,336	331,802	17,255	585,329	946,722

**Gardiner Bros. and Company (Leathers)  
Limited (Registered number: 00534801)**

**Notes to the Financial Statements - continued  
For The Year Ended 31 December 2020**

**10. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £	Interest in associate £	Totals £
<b>COST</b>			
At 1 January 2020 and 31 December 2020	<u>315,370</u>	<u>1,000</u>	<u>316,370</u>
<b>PROVISIONS</b>			
At 1 January 2020 and 31 December 2020	<u>53,600</u>	<u>-</u>	<u>53,600</u>
<b>NET BOOK VALUE</b>			
At 31 December 2020	<u>261,770</u>	<u>1,000</u>	<u>262,770</u>
At 31 December 2019	<u>261,770</u>	<u>1,000</u>	<u>262,770</u>

The company's investments at the Balance Sheet date in the share capital of companies include the following:

**Group Five (Shoes) Limited**

Registered office:

Nature of business: Dormant

	%		
Class of shares:	holding		
Ordinary-voting	100.00		
Ordinary-non-voting	100.00		
		31.12.20	31.12.19
		£	£
Aggregate capital and reserves		<u>100,034</u>	<u>100,034</u>

**Footsure Western Limited**

Registered office:

Nature of business: Footwear wholesale

	%		
Class of shares:	holding		
Ordinary	35.70		
		31.12.20	31.12.19
		£	£
Aggregate capital and reserves		7,306,899	5,605,322
Profit for the year		<u>1,701,577</u>	<u>618,085</u>

**H Underwood and Sons Limited**

Registered office:

Nature of business: Dormant

	%		
Class of shares:	holding		
Ordinary	100.00		
		31.12.20	31.12.19
		£	£
Aggregate capital and reserves		<u>193,500</u>	<u>193,500</u>

**Gardiner Bros. and Company (Leathers)  
Limited (Registered number: 00534801)**

**Notes to the Financial Statements - continued  
For The Year Ended 31 December 2020**

**11. INVESTMENT PROPERTY**

**FAIR VALUE**

At 1 January 2020  
and 31 December 2020

**NET BOOK VALUE**

At 31 December 2020

At 31 December 2019

Total  
£

70,000

70,000

70,000

Fair value at 31 December 2020 is represented by:

Valuation in 2011

Valuation in 2018

Valuation in 2019

£  
(43,450)  
42,000  
71,450  
70,000

If the investment properties had not been revalued they would have been included at the following historical cost:

	31.12.20 £	31.12.19 £
Cost	<u>143,450</u>	<u>143,450</u>
Aggregate depreciation	<u>(46,350)</u>	<u>(46,350)</u>

Investment properties were valued on an open market basis on 31 December 2020 by the directors .

**12. STOCKS**

	31.12.20 £	31.12.19 £
Goods for resale	<u>4,690,694</u>	<u>5,923,337</u>

**13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.20 £	31.12.19 £
Trade debtors	4,971,485	2,600,812
Other debtors	30,049	-
Due from related party	-	227,950
Due from associated companies	4,868,416	995,017
Prepayments and accrued income	<u>1,268,242</u>	<u>909,540</u>
	<u>11,138,192</u>	<u>4,733,319</u>

**Gardiner Bros. and Company (Leathers)**  
**Limited (Registered number: 00534801)**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 December 2020**

**13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued**

Trade debtors of £4,971,485 (2019: £2,600,812) are subject to a debt factoring agreement. The debts remain the responsibility of the Company.

At 31 December 2020 a balance of £22,032 was owing back to the company as the account is in credit. The amounts are included within bank and cash.

At 31 December 2019 a balance of £969,673 was advanced by the debt factoring company, and is included within bank loans and overdrafts.

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.20	31.12.19
	£	£
Bank loans and overdrafts (see note 16)	1,041,667	3,523,133
Other loans (see note 16)	-	12,881
Trade creditors	517,950	451,581
Amounts owed to group undertakings	294,242	294,242
UK corporation tax	563,225	161,699
Social security and other taxes	1,709,106	1,459,710
Other creditors	10,000	8,292
Due to related party	24,645	1,510
Directors' current accounts	3,639	181,926
Accruals and deferred income	1,851,708	587,171
	<u>6,016,182</u>	<u>6,682,145</u>

**15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31.12.20	31.12.19
	£	£
Bank loans (see note 16)	<u>3,958,333</u>	<u>-</u>

**16. LOANS**

An analysis of the maturity of loans is given below:

	31.12.20	31.12.19
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	-	3,523,133
Bank loans	1,041,667	-
5% Cum Pref	-	12,881
	<u>1,041,667</u>	<u>3,536,014</u>
Amounts falling due between one and two years:		
Bank loan 1-2 years	<u>2,500,000</u>	<u>-</u>
Amounts falling due between two and five years:		
Bank loan 2- 5 years	<u>1,458,333</u>	<u>-</u>

**Gardiner Bros. and Company (Leathers)  
Limited (Registered number: 00534801)**

**Notes to the Financial Statements - continued  
For The Year Ended 31 December 2020**

**17. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.12.20	31.12.19
	£	£
Within one year	217,881	174,994
Between one and five years	79,787	160,802
	<u>297,668</u>	<u>335,796</u>

**18. SECURED DEBTS**

The following secured debts are included within creditors:

	31.12.20	31.12.19
	£	£
Bank overdraft	-	3,523,133
Bank loans	5,000,000	-
	<u>5,000,000</u>	<u>3,523,133</u>

The bank borrowings are secured by fixed and floating charges on the assets of the company together with a composite guarantee with certain associated companies.

**19. PROVISIONS FOR LIABILITIES**

	31.12.20	31.12.19
	£	£
Deferred tax		
Accelerated capital allowances	<u>120,351</u>	<u>141,752</u>
		Deferred tax
		£
Balance at 1 January 2020		141,752
Accelerated capital allowances		(21,401)
Deferred tax on revaluation		
Balance at 31 December 2020		<u>120,351</u>

**20. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.12.20	31.12.19
			£	£
6,784	Ordinary	£1	<u>6,784</u>	<u>6,784</u>

**Gardiner Bros. and Company (Leathers)**  
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**Notes to the Financial Statements - continued**  
**For The Year Ended 31 December 2020**

**21. RESERVES**

	Retained earnings £
At 1 January 2020	5,124,831
Profit for the year	<u>2,272,439</u>
At 31 December 2020	<u><u>7,397,270</u></u>

**22. PENSION COMMITMENTS**

The company is a member of the Gardiner Brothers Pension Fund which is a small self administered scheme. The contributions are based on the recommendations of the scheme investment advisers, the fund operating on a "money purchase" basis. Contributions payable for the year are charged in the profit and loss account.

The company also contributes on a defined contributions basis to the personal pensions of employees outside the self administered scheme. The charge against profits for the year ended 31st December 2020 is £0 (2019: £26,733) of which £0 (2019: £0) was unpaid at the year end.

**23. CONTINGENT LIABILITIES**

The company has given a composite cross guarantee in respect of loans and overdrafts for associated companies as follows:

	31.12.20 £	31.12.19 £
Footsure Western Limited	<u><u>-</u></u>	<u><u>4,754,757</u></u>

**Gardiner Bros. and Company (Leathers)**  
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**Notes to the Financial Statements - continued**  
**For The Year Ended 31 December 2020**

**24. RELATED PARTY DISCLOSURES**

During the year there were transactions and balances due with related companies as follows:-

	31.12.20	31.12.19		
Name of company			£	£
i) Associates				
Footsure Western Limited	Balance due from/(to) associate		<u>4,868,416</u>	<u>995,017</u>
	Net transfers of footwear out		2,320,740	2,696,915
	Management charges receivable		(4,765,620)	(4,576,696)
ii) Related parties				
Uniquemix Limited	Balance due from related party		<u>(23,135)</u>	<u>227,950</u>
	Net transfer of footwear out		219,085	277,418

Gardiner Bros. and Company (Leathers) Limited and it's associate, Footsure Western Limited share warehouse facilities.

Each company retains it's own customer base and stock lines. Where an associate receives orders for lines stocked by another, these goods are transferred at cost

Central costs are incurred in running warehouse and distribution operations which are recharged by way of management charges.

The intercompany balance due between Gardiner Bros. Limited and Footsure Western Limited arises on the transfer of stock, management charges raised and accounting for foreign exchange gains or losses.

Uniquemix Limited, whose activities encompass the operation of retail shops is owned by J E Hooper Limited; a company with common control. All transactions are at an arms length basis on normal commercial terms.

**25. ULTIMATE CONTROLLING PARTY**

The company's parent company, Gardiner Bros. and Company Holdings Limited is not under the control of any one director.

The parent company produces consolidated accounts. Information can be obtained from the company's registered office.



This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.