Registered number: 01757853

WILLIAMSON-DICKIE EUROPE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

COMPANY INFORMATION

Directors	S Cooper (resigned 15 September 2020) K M Ehrlich (resigned 28 August 2020) T D Rossi M Ferrucci (appointed 28 August 2020)
Registered number	01757853
Registered office	Second Avenue Westfield Trading Estate Midsomer Norton Radstock BA3 4BH
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 2 Glass Wharf Bristol BS2 0EL
Bankers	JP Morgan 25 Bank Street Canary Wharf London E14 5JP
Solicitors	Pannone Corporate LLP The Chapel 378-380 Deansgate Manchester M3 4LY

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2021

Introduction

The Company's principal activities during the year were to design, source, manufacture and distribute a branded range of workwear, leisurewear and footwear to distributors and retail end users in both the United Kingdom and Europe.

In December 2020 the ultimate controlling party, VF Corporation, decided that Williamson-Dickie Europe Limited would cease operations on 31 March 2021. As a result, the financial statements are prepared on the break-up basis.

Business review

Turnover was £44.4m (*2020: £55.2m*). Loss after taxation was £2.3m (*2020: £10.1m*). The improvement in performance is primarily due to a reduction in exceptional costs of £7.2m in relation to the wind-up of the business. See note 13 for further detail.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks affecting the Company are considered to relate to competition from other protective clothing distributors, product availability and the increasing freight cost associated with importing goods. The Company has strong management practices to deal with all issues.

Financial risk management

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

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

Price risk

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

Interest rate risk

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

Currency risk

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

Credit risk

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

Other key performance indicators

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

This report was approved by the board on 2 September 2021 and signed on its behalf.

T D Rossi

T D Rossi
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The directors present their report and the financial statements for the year ended 31 March 2021.

Results and dividends

The loss for the year, after taxation, amounted to £2.3m *(2020 - £10.1m).*

The directors did not recommend the payment of dividend in the year *(2020: £Nil)*

Directors

The directors who served during the year were:

S Cooper (resigned 15 September 2020)
K M Ehrlich (resigned 28 August 2020)
T D Rossi
M Ferrucci (appointed 28 August 2020)

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, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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.

Political contributions

Charitable donations of £Nil *(2020: £1,303)* have been made during the year to a number of local charitable events and in support of employee charitable fundraising.

Engagement with employees

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

Disabled employees

Applications for employment by disabled persons are always considered fully, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Post balance sheet events

In July 2021 the Company disposed of freehold property located at Third Avenue, Westfield Industrial Estate, Midsomer Norton, BA3 4BH for consideration £5.5m. The net book value of the freehold property at 31 March 2021 was £3.5m.

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 2 September 2021 and signed on its behalf.

T D Rossi

T D Rossi
Director

Grant Thornton

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

Opinion

We have audited the financial statements of Williamson-Dickie Europe Limited (the 'Company') for the year ended 31 March 2021, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of its loss 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 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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.

Grant Thornton

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

Emphasis of matter - Basis of preparation of the financial statements

We draw attention to Note 2.1 to the financial statements, which describes the basis of preparation of the financial statements. As described in that note, in December 2020 the ultimate controlling party, VF Corporation, decided that Williamson-Dickie Europe Limited would cease operations on 31 March 2021 and accordingly the directors have prepared the financial statements on a break-up basis. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

Grant Thornton

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

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors for the financial statements

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of how the Company is complying with significant legal and regulatory frameworks through inquiries of management;

The Company is subject to many laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. We identified Financial Reporting Standard 102 and the Companies Act 2006, along with legislation relating to employment, health & safety, data protection and environmental issues, as those most likely to have a material effect if non-compliance were to occur;

We communicated relevant laws and potential fraud risks to all engagement team members and remained alert to any indicators of fraud or non-compliance with laws and regulations throughout the audit;

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. We considered the opportunity and incentives for management to perpetrate fraud, and the potential impact on the financial statements;

In assessing the potential risks of material misstatement, we obtained an understanding of:
- the Company's operations, including the nature of its revenue sources, products, and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement;
- the Company's control environment;
- the Company's relevant controls over areas of significant risks; and
- the Company's business processes in respect of classes of transactions that are significant to the financial statements.

Audit procedures performed by the engagement team included:
- identifying the significant risk of fraud within revenue recognition and undertaking substantive testing to obtain sufficient and appropriate audit evidence;
- testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions; and
- identifying and testing related party transactions.

Assessment of the appropriateness of the collective competence and capabilities of the engagement team included:
- consideration of the engagement team's understanding of, and practical experience with, audit engagements of a similar nature and complexity;
- appropriate training, knowledge of the industry in which the Company operates; and
- understanding of the legal and regulatory requirements specific to the Company.

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

We did not identify any material matters relating to non-compliance with laws and regulations or relating to fraud.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Tim Lincoln BA ACA
Senior statutory auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Bristol

2 September 2021

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £000	2020 £000
Turnover	4	**44,354**	*55,203*
Cost of sales		**(30,218)**	*(31,358)*
Gross profit		**14,136**	*23,845*
Distribution costs		**(2,091)**	*(2,615)*
Administrative expenses		**(11,903)**	*(23,302)*
Exceptional items	13	**(3,065)**	*(10,287)*
Other operating income	5	**707**	*1,912*
Operating loss	6	**(2,216)**	*(10,447)*
Interest receivable and similar income	10	**73**	*23*
Interest payable and expenses	11	**-**	*(11)*
Loss before tax		**(2,143)**	*(10,435)*
Tax on loss	12	**(146)**	*386*
Loss for the financial year		**(2,289)**	*(10,049)*
Other comprehensive income for the year			
Actuarial losses on defined benefit pension scheme	26	**(3)**	*(2)*
Other comprehensive income for the year		**(3)**	*(2)*
Total comprehensive loss for the year		**(2,292)**	*(10,051)*

There were no recognised gains and losses for 2021 or 2020 other than those included in the Statement of Comprehensive Income.

The notes on pages 13 to 33 form part of these financial statements.

WILLIAMSON-DICKIE EUROPE LIMITED
REGISTERED NUMBER:01757853

BALANCE SHEET
AS AT 31 MARCH 2021

	Note		2021 £000		*2020 £000*
Fixed assets					
Tangible assets	15		**4,419**		*4,809*
			4,419		*4,809*
Current assets					
Stocks	17	**298**		*11,929*	
Debtors: amounts falling due within one year	18	**2,222**		*8,719*	
Cash at bank and in hand	19	**15,158**		*5,445*	
		17,678		*26,093*	
Creditors: amounts falling due within one year	20	**(5,972)**		*(11,500)*	
Net current assets			**11,706**		*14,593*
Total assets less current liabilities			**16,125**		*19,402*
Creditors: amounts falling due after more than one year	21		**-**		*(985)*
Net assets			**16,125**		*18,417*
Capital and reserves					
Called up share capital	24		**88**		*88*
Revaluation reserve	25		**256**		*272*
Profit and loss account	25		**15,781**		*18,057*
			16,125		*18,417*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 2 September 2021.

T D Rossi

T D Rossi
Director

The notes on pages 13 to 33 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 April 2019	**88**	**288**	**28,092**	**28,468**
Loss for the year	-	-	(10,049)	(10,049)
Actuarial losses on pension scheme	-	-	(2)	(2)
Total comprehensive loss for the period	-	-	(10,051)	(10,051)
Transfer to/from profit and loss account	-	(16)	16	-
At 1 April 2020	**88**	**272**	**18,057**	**18,417**
Loss for the year	-	-	(2,289)	(2,289)
Actuarial losses on pension scheme	-	-	(3)	(3)
Total comprehensive loss for the year	-	-	(2,292)	(2,292)
Transfer to/from profit and loss account	-	(16)	16	-
At 31 March 2021	**88**	**256**	**15,781**	**16,125**

The notes on pages 13 to 33 form part of these financial statements.

1. General information

Williamson-Dickie Europe Limited is a private company limited by shares & incorporated in England and Wales. Its registered head office is located at Second Avenue, Westfield Trading Estate, Midsomer Norton, Radstock, BA3 4BH. The Company registration number is 01757853.

2. Accounting policies

2.1 Basis of preparation of financial statements

In December 2020 the ultimate controlling party, VF Corporation, decided that Williamson-Dickie Europe Limited would cease operations on 31 March 2021. As a result, the financial statements are prepared on the break-up basis.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied.

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of VF Corporation as at 31 March 2021 and these financial statements may be obtained from 105 Corporate Centre Blvd, Greensboro, N.C. 27408.

2.3 Consolidation exemption

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

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

2. Accounting policies (continued)

2.4 Revenue

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

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

All sales are made predominantly within the European Union.

2.5 Intangible fixed assets and amortisation

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

Purchased intangible assets related to acquired customer lists are capitalised and amortised through the Statement of Comprehensive Income over their useful economic life of 3 years.

2.6 Tangible fixed assets

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

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

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 40 years
Plant and machinery	- 4 to 10 years

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

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

2. Accounting policies (continued)

2.7 Impairment of fixed assets and goodwill

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

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

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

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Cash and cash equivalents

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

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2. Accounting policies (continued)

2.13 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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

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

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

2.14 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

2. Accounting policies (continued)

2.14 Foreign currency translation (continued)

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

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

2.15 Finance costs

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

2.16 Pensions

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

The Group also operates a Defined Benefit pension scheme, which was closed to the future accrual of benefits on 5 April 1999. The scheme provides benefits based on final pensionable pay at that date or the date the member left pensionable service if earlier. The pension charge is based on a valuation of the scheme's assets and liabilities as at 31 December 2015, undertaken by the Scheme Actuary. The Scheme Actuary undertook a valuation as at 31 March 2021.

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

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

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

Deferred tax is recognised on the Defined Benefit scheme.

2.17 Operating leases: the Company as lessee

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

2. Accounting policies (continued)

2.18 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.19 Provisions for liabilities

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

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

2.20 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.21 Exceptional items

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

During the year the Company incurred exceptional costs of £3.07m (2020: £10.29m) in relation to the wind-up of the Company. See note 13 below for detail.

2. Accounting policies (continued)

2.22 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit and loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

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

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Basis of preparation of the financial statements:
As per accounting policy 2.1 management is of the opinion that the preparation of the financial statements on a break-up basis is appropriate. This change to the basis of preparation required management to make judgements in the following areas:

- The recoverable amount of tangible fixed assets
- The recoverable amount of inventory
- The adequacy of provisions recognised in relation to the costs associated with the wind-up of the Company

See note 13 below for detail.

Useful economic lives of tangible assets:
The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives. The useful economic lives are re-assessed annually and amended when necessary to reflect current estimates based on economic utilisation and physical condition of assets, See note 15 for carrying amount of property, plant and equipment, and note 2.6 for the useful economic lives for each class of asset.

Inventory provisioning:
The Company manufactures and sells workwear and is subject to changing consumer demands and legislation requirements. As a result it is necessary to consider recoverability of the cost of inventory and associated provisioning required. When calculating the inventory provision, management considers nature and the condition of the inventory, as well as applying assumptions around anticipated saleability of finished goods and future usage of raw materials. See note 17 for the net carrying amount of the inventory.

Impairment of debtors:
The Company makes an estimate of the recoverable value of trade debtors. When assessing impairment of trade debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 18 for the net carrying amount of the debtors.

3. Judgements in applying accounting policies (continued)

Defined benefit pension scheme

The Company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including: life expectancy, asset valuations and discount rate. Management have chosen to appoint an expert to assist with assumptions in this area. See note 26 for the disclosures relating to the defined benefits pension scheme.

4. Turnover

An analysis of turnover by class of business is as follows:

	2021 £000	*2020 £000*
Sales	**44,354**	*55,203*

All sales are made predominantly within the European Union.

5. Other operating income

	2021 £000	*2020 £000*
Grant income - Furlough	**724**	-
Foreign exchange difference	**(17)**	*1,912*
	707	*1,912*

6. Operating loss

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

	2021 £000	*2020 £000*
Depreciation of tangible fixed assets	**323**	*499*
Amortisation of intangible assets, including goodwill	**-**	*109*
Exchange differences	**17**	*(1,912)*
Operating lease rentals - plant and machinery	**74**	*69*
Operating lease rentals - other	**166**	*180*

7. Auditor's remuneration

	2021 £000	*2020 £000*
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	**72**	*82*

Fees payable to the Company's auditor and its associates in respect of:

Auditor's remuneration - non-audit	**39**	*48*

8. Employees

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

	2021 £000	*2020 £000*
Wages and salaries	**6,625**	*8,021*
Social security costs	**599**	*691*
Cost of defined contribution scheme	**302**	*323*
	7,526	*9,035*

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

	2021 No.	*2020 No.*
Office and management	**108**	*122*
Manufacturing	**23**	*25*
Selling and distribution	**129**	*154*
	260	*301*

9. Directors' remuneration

	2021 £000	*2020 £000*
Directors' emoluments	**2,034**	*1,323*
Directors pension costs	**13**	*15*

During the year retirement benefits were accruing to 3 directors *(2020 - 3)* in respect of defined contribution pension schemes.

The highest paid director received remuneration of £0.4m *(2020 - £1.0m)*.

The highest paid director received a termination payment of £1.2m (2020 - £Nil).

The highest paid director made a gain on the exercise of share options of £0.3m (2020 - £Nil).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £152 *(2020 - £909)*.

10. Interest receivable

	2021 £000	*2020 £000*
Interest receivable from group companies	**73**	*23*

11. Interest payable and similar expenses

	2021 £000	*2020 £000*
Bank interest payable	**-**	*11*

12. Taxation

	2021 £000	*2020* *£000*
Corporation tax		
Adjustments in respect of previous periods	**(1)**	*(189)*
	(1)	*(189)*
Deferred tax		
Origination and reversal of timing differences	**147**	*(147)*
Adjustments in respect of previous periods	**-**	*(50)*
Total deferred tax	**147**	*(197)*
Taxation on loss on ordinary activities	**146**	*(386)*

Factors affecting tax charge for the year

The tax assessed for the year is higher than *(2020 - higher than)* the standard rate of corporation tax in the UK of 19% *(2020: 19%)*. The differences are explained below:

	2021 £000	*2020* *£000*
Loss on ordinary activities before tax	**(2,143)**	*(10,435)*
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% *(2020: 19%)*	**(407)**	*(1,983)*
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**-**	*45*
Expenses non deductible for tax purposes related to fixed assets	**407**	*480*
Deferred tax adjustments	**147**	*(147)*
Adjustments to tax charge in respect of prior periods	**(1)**	*(239)*
Available for group relief/carry back	**-**	*1,458*
Total tax charge/(credit) for the year	**146**	*(386)*

13. Exceptional items

	2021 £000	*2020 £000*
Impairment of tangible fixed assets	-	*306*
Impairment of intangible fixed assets	-	*864*
Additional stock provision due to the wind-up of the Company	**3,065**	*2,398*
Employee cost provision due to the wind-up of the Company	-	*3,618*
Supplier termination costs due to the wind-up of the Company	-	*1,237*
Forward position termination costs due to the wind-up of the Company	-	*859*
Pension closure costs due to the wind-up of the Company	-	*512*
Other costs due to the wind-up of the Company	-	*493*
	3,065	*10,287*

14. Intangible assets

	Other £000	**Goodwill £000**	**Total £000**
Cost			
At 1 April 2020	**1,409**	**1,186**	**2,595**
At 31 March 2021	**1,409**	**1,186**	**2,595**
Amortisation			
At 1 April 2020	**1,409**	**1,186**	**2,595**
At 31 March 2021	**1,409**	**1,186**	**2,595**
Net book value			
At 31 March 2021	-	-	-
At 31 March 2020	-	-	-

In December 2020 the ultimate controlling party, VF Corporation, decided that Williamson-Dickie Europe Limited would cease operations on 31 March 2021. As a result, the financial statements are prepared on the break-up basis and intangible fixed assets were fully impaired in the prior year.

15. Tangible fixed assets

	Freehold property £000	Plant and machinery £000	Total £000
Cost or valuation			
At 1 April 2020	6,903	3,361	10,264
Additions	-	35	35
Disposals	-	(237)	(237)
At 31 March 2021	6,903	3,159	10,062
Depreciation			
At 1 April 2020	2,681	2,774	5,455
Charge for the year on owned assets	165	158	323
Disposals	-	(135)	(135)
At 31 March 2021	2,846	2,797	5,643
Net book value			
At 31 March 2021	4,057	362	4,419
At 31 March 2020	*4,222*	*587*	*4,809*

In December 2020 the ultimate controlling party, VF Corporation, decided that Williamson-Dickie Europe Limited would cease operations on 31 March 2021. As a result, the financial statements are prepared on the break-up basis and plant and machinery has been written down to their recoverable amount.

In acordance with FRS 102 as the intention is to sell the freehold property an impairment review was performed at the year end. No impairment charge was deemed to be required in the year.

16. Fixed asset investments

Subsidiary undertakings

The carrying value of investments in subsidiary undertakings is £Nil (*2020: £2*).

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

Name	Registered Office	Class of Share	%
Williamson-Dickie Europe GMBH	Germany	Ordinary	100
WO Europe SAS	France	Ordinary	100
Arsenal Fashion Espana SL	Spain	Ordinary	100
North East Rig-Out Limited	Scotland	Ordinary	100
Worldwide Workwear (UK) Limited	Scotland	Ordinary	100

17. Stocks

	2021 £000	*2020 £000*
Raw materials and consumables	**-**	*40*
Stocks - finished goods	**298**	*11,889*
	298	*11,929*

18. Debtors

	2021 £000	*2020 £000*
Trade debtors	**1,523**	*6,864*
Amounts owed by group undertakings	**45**	*743*
Other debtors	**204**	*126*
Prepayments and accrued income	**303**	*590*
Tax recoverable	**147**	*249*
Deferred taxation	**-**	*147*
	2,222	*8,719*

19. Cash and cash equivalents

	2021 £000	2020 £000
Cash at bank and in hand	**15,158**	*5,445*

20. Creditors: Amounts falling due within one year

	2021 £000	2020 £000
Wind-up provision	**3,605**	*7,865*
Trade creditors	**644**	*1,489*
Amounts owed to group undertakings	**495**	*513*
Other taxation and social security	**585**	*78*
Accruals and deferred income	**643**	*1,555*
	5,972	*11,500*

In December 2020 the ultimate controlling party, VF Corporation, decided that Williamson-Dickie Europe Limited would cease operations on 31 March 2021. As a result, the financial statements are prepared on the break-up basis and a wind-up provision has been recognised. See note 13 for further detail.

21. Creditors: Amounts falling due after more than one year

	2021 £000	2020 £000
Wind-up provision	**-**	*985*

In December 2020 the ultimate controlling party, VF Corporation, decided that Williamson-Dickie Europe Limited would cease operations on 31 March 2021. As a result, the financial statements are prepared on the break-up basis and a wind-up provision has been recognised. See note 13 for further detail.

22. Financial instruments

	2021 £000	2020 £000
Financial assets		
Financial assets that are debt instruments measured at amortised cost	**16,930**	*13,178*
Financial liabilities		
Financial liabilities measured at amortised cost	**(5,387)**	*(12,407)*

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

Financial liabilities measured at amortised cost comprise of trade creditors, amounts owed to group undertakings, accruals, and wind-up provisions.

23. Deferred taxation

	2021 £000	2020 £000
At beginning of year	**147**	*(6)*
(Charged)/credited to profit or loss	**(147)**	*153*
At end of year	**-**	*147*

The deferred tax asset is made up as follows:

	2021 £000	2020 £000
Other timing differences	**-**	*147*

24. Share capital

	2021 £000	*2020 £000*
Authorised		
200,000 *(2020 - 200,000)* Ordinary shares of £1 each	**200**	*200*
Allotted, called up and fully paid		
88,250 *(2020 - 88,250)* Ordinary shares of £1 each	**88**	*88*

25. Reserves

Revaluation reserve

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

Profit and loss account

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

26. Pension commitments

The Company operates a Defined Benefit Pension Scheme.

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

Reconciliation of present value of plan liabilities:

	2021 £000	*2020 £000*
Fair value of assets	**1,403**	*1,462*
Defined benefit obligation	**(1,350)**	*(1,332)*
Effect of asset limit	**(53)**	*(130)*
	-	*-*

26. Pension commitments (continued)

Composition of plan assets:

	2021 £000	2020 £000
Gilts	459	514
Bonds	124	113
Cash	6	6
Insured pensioners	814	829
Total plan assets	1,403	1,462

The amounts recognised in profit or loss are as follows:

	2021 £000	2020 £000
Interest on obligation	30	32
Expected return on scheme assets	(33)	(34)
Interest on effect of asset limit	3	2
Total	-	-

Reconciliation of fair value of plan liabilities were as follows:

	2021 £000	2020 £000
Opening defined benefit obligation	1,332	1,393
Interest cost	30	32
Actuarial losses	66	36
Benefits paid	(78)	(129)
Closing defined benefit obligation	1,350	1,332

26. Pension commitments (continued)

Reconciliation of fair value of plan assets were as follows:

	2021 **£000**	*2020* *£000*
Opening fair value of scheme assets	**1,462**	*1,466*
Expected return on assets	**33**	*34*
Actuarial (losses)/gains	**(14)**	*91*
Benefits paid	**(78)**	*(129)*
	1,403	*1,462*

The Company expects to contribute £Nil to its Defined Benefit Pension Scheme in 2022.

The amount of actuarial losses recognised in the Statement of Comprehensive Income was £3,000 (*2020: loss £2,000*).

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

	2021 **%**	*2020* *%*
Discount rate	**2.1**	*2.3*
Post retirement mortality		
Current pensioners at 65 - male	**21.7**	*21.7*
Current pensioners at 65 - female	**24.1**	*24.0*
Future pensioners at 65 - male	**22.7**	*22.7*
Future pensioners at 65 - female	**25.2**	*25.2*

26. Pension commitments (continued)

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

	2021 £000	2020 £000	2019 £000	2017 £000	2016 £000
Defined benefit obligation	**(1,350)**	(1,332)	(1,393)	(1,451)	(1,432)
Scheme assets	**1,403**	1,462	1,466	1,502	1,391
Surplus/(deficit)	**53**	130	73	51	(41)
Experience adjustments on scheme liabilities	**66**	36	(14)	(55)	(317)
Experience adjustments on scheme assets	**-14**	91	13	50	239

27. Commitments under operating leases

At 31 March 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £000	2020 £000
Not later than 1 year	**-**	367
Later than 1 year and not later than 5 years	**-**	80
	-	447

28. Related party transactions

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

29. Post balance sheet events

In July 2021 the Company disposed of freehold property located at Third Avenue, Westfield Industrial Estate, Midsomer Norton, BA3 4BH for consideration £5.5m. The net book value of the freehold property at 31 March 2021 was £3.5m.

30. Controlling party

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