
David Luke Limited

Directors' Report and Financial Statements

For the Year Ended 31 December 2014

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David Luke Limited

Company Information

Directors	D H Burgess A D Luke R D Moody I R McLaverty K H L Shuttleworth
Company secretary	H A Sykes
Registered number	01605492
Registered office	Eco Works Midland Street Ardwick Manchester M12 6LB
Independent auditors	Hurst & Company Accountants LLP Chartered Accountants & Statutory Auditors Lancashire Gate 21 Tiviot Dale Stockport Cheshire SK1 1TD
Bankers	HSBC Bank PLC 4 Hardman Square Spinningfields Manchester M3 3EB

David Luke Limited

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David Luke Limited

Strategic Report For the Year Ended 31 December 2014

Introduction

The directors present their Strategic Report for the year ended 31 December 2014.

Business review

2014 has been a challenging year, with margins continuing to be squeezed and a number of problems caused by the bedding in of the upgraded computer system. Our stock availability and delivery performance was not up to the high standards we have established over the years and this affected the repeat sales, particularly at Back to School, resulting in no increase in turnover for the year. The collapse of John Cheadle also had a negative effect on the business. As the year progressed, we overcame all the various system and stock issues, ending strongly.

On November 5th, Kathryn Shuttleworth became Managing Director. She takes over the role from her father, David Burgess, who has become Executive Chairman. Kathryn has already brought increased drive and energy to the business. Since joining David Luke in 2002, she has worked in every area of the business and has a strong sense of the ethos which David Burgess and Adrian Luke have followed over the past 33 years.

2015 and beyond are set for focused growth and will benefit tremendously from the continued investment in Eco-Uniform. This now covers the vast majority of products and although it has been a difficult process, it will be a major competitive advantage for our Customers and will help to drive business forward during the next few years.

All the Key Performance Indicators are reviewed at the Senior Management Board Meetings on a regular basis and continue to give a clear picture for the Board to make decisions which help the business to progress. To counter the challenging margin environment, costs have been managed to help achieve a satisfactory result. It is planned for Net Profit to start increasing again, as we are now towards the end of the transition phase of Eco-Uniform.

During the year, we appointed Hurst & Company Accountants LLP ("Hurst") as our Accountants and Auditors. The Directors would like to note the contribution our previous Accountants, Warburton & Freeman, have made to the success of the business and thank Martin Freeman particularly. Hurst were chosen to help the company to progress to new levels and have made an excellent start.

Principal risks and uncertainties

The directors consider the principal risk and uncertainties to the Company to be:

Exchange rate risk – the company uses overseas suppliers for a vast amount of its stock purchasing and is therefore susceptible to changes in foreign exchange rates. The main currencies on which purchases are based is United States Dollar and Chinese Renminbi. Fluctuations in exchange rates may increase purchase prices from suppliers which may or may not be able to be passed on to customers. The directors seek to manage this risk by purchasing forward contracts to fix exchange rates.

Competitor risk – the company has a large customer base including both smaller independent retailers and larger schoolwear retailers. The company offers a niche product often specific to the particular school and therefore believes that competitor risk is lowered but nevertheless there remains a risk that the company loses market share to competitors in future. The directors seek to manage this risk by ensuring excellent relationships are maintained with customers.

David Luke Limited

Strategic Report (continued) For the Year Ended 31 December 2014

General economic risk – as with any other wholesale supplier, the company is susceptible to general economic risk to some degree. The risk is lessened as the demand for schoolwear is fairly static given the underlying customer base is children. There is a risk that parents, where the school allows, move to a lower quality unbranded product in times of economic downturn, however the company aims to mitigate this risk by ensuring a wide and affordable product offering across all products and sizes at premium quality.

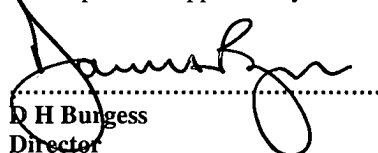
Interest rate risk – the company has significant funding commitments which are required to be reviewed regularly. The company is therefore susceptible to interest rate risk. The directors seek to mitigate this risk by utilising a range of fixed and variable finance methods.

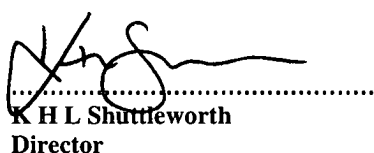
Financial key performance indicators

The key financial performance indicators for the past five years are as follows -

	2014	2013	2012	2011	2010
Turnover £'000	12,375	12,458	11,593	10,941	10,160
Gross profit £'000	2,548	2,755	2,655	2,464	2,427
Gross profit %	21%	22%	23%	23%	24%
EBITDA £'000	451	511	573	551	593
Operating profit £'000	332	424	526	495	525
Employee numbers	47	48	44	41	41
Turnover/employee £'000	263	260	263	267	248

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


D H Bungess
Director


K H L Shuttleworth
Director

Date: 20 May 2015

David Luke Limited

Directors' Report For the Year Ended 31 December 2014

The directors present their report and the financial statements for the year ended 31 December 2014.

Principal activities

The principal activity of the company in the year under review was that of the sale of clothing.

Results and dividends

The profit for the year, after taxation, amounted to £207,891 (2013 - £308,674).

The Directors will be proposing a dividend of £1.25 (2013: £1.48) per share at the forthcoming AGM, in respect to the year ending 31st December 2014.

Directors

The directors who served during the year were:

D H Burgess
A D Luke
R D Moody
I R McLaverty
K H L Shuttleworth

Future developments

The investment we made in new systems and expanding our range of Eco-Uniform temporarily reduced our operational efficiencies in 2014. We are confident however, that these investments have established a strong platform for growth. With a young but experienced Senior Management Team, we are set to capitalise on the opportunities in the market and return to a position of growth from 2015 onwards.

Financial instruments

The company uses various financial instruments including loans and cash as well as various items such as trade debtors and trade creditors arising from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

The main risks arising from the company's financial instruments are market risk, cash flow interest rate risk, credit risk and liquidity risk. The directors review and agree policies for managing each of these risks and these policies have remained unchanged from previous years.

David Luke Limited

**Directors' Report
For the Year Ended 31 December 2014**

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

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

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

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

Disclosure of information to auditors

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

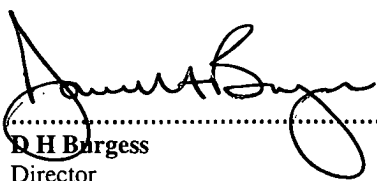
- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

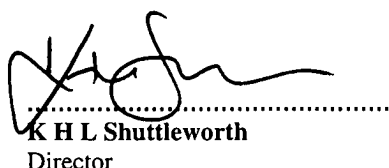
Auditors

Lucas Reis Limited resigned as auditors in July 2014, from which date Hurst & Company Accountants LLP were appointed.

The auditors, Hurst & Company Accountants LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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


D H Burgess
Director


K H L Shuttleworth
Director

Date: 20 May 2015

David Luke Limited

Independent Auditors' Report to the Shareholders of David Luke Limited

We have audited the financial statements of David Luke Limited for the year ended 31 December 2014, set out on pages 7 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

David Luke Limited

Independent Auditors' Report to the Shareholders of David Luke Limited

Matters on which we are required to report by exception

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

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

Hurst & Company Accountants LLP

Mike Jackson (Senior Statutory Auditor)

for and on behalf of

Hurst & Company Accountants LLP

Chartered Accountants

Statutory Auditors

Lancashire Gate

21 Tiviot Dale

Stockport

Cheshire

SK1 1TD

Date: *20 May 2015*

David Luke Limited

Profit and Loss Account
For the Year Ended 31 December 2014

	Note	2014 £	2013 £
Turnover	1,2	12,374,810	<i>12,457,664</i>
Cost of sales		<u>(9,826,771)</u>	<u>(9,702,703)</u>
Gross profit		2,548,039	<i>2,754,961</i>
Administrative expenses		<u>(2,216,458)</u>	<u>(2,330,644)</u>
Operating profit	3	331,581	<i>424,317</i>
Interest payable and similar charges	6	<u>(72,290)</u>	<u>(61,396)</u>
Profit on ordinary activities before taxation		259,291	<i>362,921</i>
Tax on profit on ordinary activities	7	<u>(51,400)</u>	<u>(54,247)</u>
Profit for the financial year	16	207,891	<i>308,674</i>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and Loss Account.

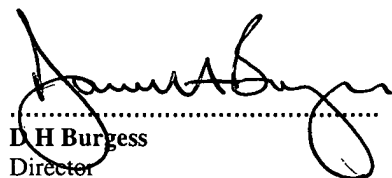
The notes on pages 10 to 20 form part of these financial statements.

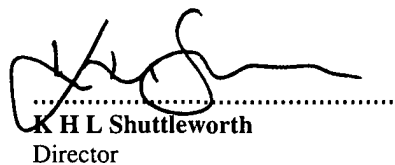
David Luke Limited
Registered number: 01605492

Balance Sheet
As at 31 December 2014

	Note	£	2014 £	£	2013 £
Fixed assets					
Tangible assets	8		1,356,227		1,358,838
Investments	9		<u>1</u>		<u>1</u>
			1,356,228		1,358,839
Current assets					
Stocks	10	3,820,149		3,760,780	
Debtors	11	761,984		735,185	
Cash at bank and in hand		<u>122,287</u>		<u>96,426</u>	
		4,704,420		4,592,391	
Creditors: amounts falling due within one year	12	<u>(2,158,498)</u>		<u>(2,068,157)</u>	
Net current assets			2,545,922		2,524,234
Total assets less current liabilities			3,902,150		3,883,073
Creditors: amounts falling due after more than one year	13		(293,147)		(457,983)
Provisions for liabilities					
Deferred tax	14		<u>(47,544)</u>		<u>(40,657)</u>
Net assets			<u>3,561,459</u>		<u>3,384,433</u>
Capital and reserves					
Called up share capital	15		20,855		20,855
Profit and loss account	16		<u>3,540,604</u>		<u>3,363,578</u>
Shareholders' funds	17		<u>3,561,459</u>		<u>3,384,433</u>

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


D H Burgess
Director


K H L Shuttleworth
Director

Date: 20 May 2015

The notes on pages 10 to 20 form part of these financial statements.

David Luke Limited

**Cash Flow Statement
For the Year Ended 31 December 2014**

	Note	2014 £	2013 £
Net cash flow from operating activities	19	228,484	(216,313)
Returns on investments and servicing of finance	20	(72,290)	(61,396)
Taxation		(38,659)	(83,784)
Capital expenditure and financial investment	20	(78,640)	(208,625)
Equity dividends paid		(30,865)	(37,476)
Cash inflow/(outflow) before financing		8,030	(607,594)
Financing	20	(164,836)	(192,064)
Decrease in cash in the year		(156,806)	(799,658)

**Reconciliation of Net Cash Flow to Movement in Net Funds/Debt
For the Year Ended 31 December 2014**

	2014 £	2013 £
Decrease in cash in the year	(156,806)	(799,658)
Cash outflow from decrease in debt and lease financing	164,836	159,969
Movement in net debt in the year	8,030	(639,689)
Net debt at 1 January 2014	(1,506,450)	(866,761)
Net debt at 31 December 2014	(1,498,420)	(1,506,450)

The notes on pages 10 to 20 form part of these financial statements.

David Luke Limited

Notes to the Financial Statements For the Year Ended 31 December 2014

1. Accounting Policies

1.1 Basis of preparation of financial statements

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

The company's business activities, together with the factors likely to affect its future development are set out in the Strategic Report on pages 1 to 2 and the Directors Report on pages 3 to 4. The company's day to day working capital requirements are met through an overdraft facility and the company's forecasts and projections show that the company should be able to operate within the level of its current facility. Therefore, the directors continue to adopt the going concern basis of accounting in preparing the financial statements as they have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

1.2 Turnover

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

Turnover is recognised upon despatch of the goods.

1.3 Tangible fixed assets and depreciation

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

Long-term leasehold property	-	Over 50 years useful economic life
Motor vehicles	-	20% Straight line
Fixtures and fittings	-	20% Reducing balance
Office equipment	-	20% Reducing balance
Computer equipment	-	20% Straight line

1.4 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.5 Operating leases

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

1.6 Stocks

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

David Luke Limited

Notes to the Financial Statements
For the Year Ended 31 December 2014

1. Accounting Policies (continued)

1.7 Deferred taxation

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

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

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

Deferred tax assets and liabilities are not discounted.

1.8 Foreign currencies

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

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

Exchange gains and losses are recognised in the Profit and Loss Account.

1.9 Pensions

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

2. Turnover

The whole of the turnover is attributable to the sale of clothing.

All turnover arose within the United Kingdom.

3. Operating profit

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

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the company	119,446	87,156
Auditors' remuneration	15,000	3,750
Auditors' remuneration - non-audit	8,000	-
Operating lease rentals:		
- plant and machinery	6,882	6,708
Profit arising on foreign exchange transactions	(101,051)	(722)

David Luke Limited

Notes to the Financial Statements
For the Year Ended 31 December 2014

4. Staff costs

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

	2014 £	2013 £
Wages and salaries	1,291,108	1,274,620
Social security costs	106,839	107,171
Other pension costs	66,616	92,193
	<u>1,464,563</u>	<u>1,473,984</u>

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

	2014 No.	2013 No.
Directors	4	4
Management	5	5
Office & warehouse	38	39
	<u>47</u>	<u>48</u>

5. Directors' remuneration

	2014 £	2013 £
Remuneration	<u>298,607</u>	<u>262,988</u>
Company pension contributions to defined contribution pension schemes	<u>53,643</u>	<u>73,794</u>

During the year retirement benefits were accruing to 3 directors (2013 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £94,197 (2013 - £90,955).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £9,150 (2013 - £9,150).

6. Interest payable

	2014 £	2013 £
On bank loans and overdrafts	<u>72,290</u>	<u>61,396</u>

David Luke Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2014**

7. Taxation

	2014	2013
	£	£
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	51,823	45,970
Adjustments in respect of prior periods	(7,310)	(22,239)
Total current tax	44,513	23,731
Deferred tax (see note 14)		
Origination and reversal of timing differences	6,887	30,516
Tax on profit on ordinary activities	51,400	54,247

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 - *lower than*) the standard rate of corporation tax in the UK of 20% (2013 - 20%). The differences are explained below:

	2014	2013
	£	£
Profit on ordinary activities before tax	259,291	362,921
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2013 - 20%)	51,858	72,584
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	6,852	5,592
Capital allowances for year in excess of depreciation	(6,887)	(32,206)
Adjustments to tax charge in respect of prior periods	(7,310)	(22,239)
Current tax charge for the year (see note above)	44,513	23,731

David Luke Limited

Notes to the Financial Statements
For the Year Ended 31 December 2014

8. Tangible fixed assets

	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost						
At 1 January 2014	1,273,616	64,345	483,139	93,076	313,362	2,227,538
Additions	-	-	5,216	-	111,619	116,835
At 31 December 2014	1,273,616	64,345	488,355	93,076	424,981	2,344,373
Depreciation						
At 1 January 2014	184,956	46,532	280,115	87,889	269,208	868,700
Charge for the year	25,511	3,720	54,224	987	35,004	119,446
At 31 December 2014	210,467	50,252	334,339	88,876	304,212	988,146
Net book value						
At 31 December 2014	1,063,149	14,093	154,016	4,200	120,769	1,356,227
At 31 December 2013	1,088,660	17,813	203,024	5,187	44,154	1,358,838

9. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2014 and 31 December 2014	1
Net book value	
At 31 December 2014	1
At 31 December 2013	1

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
USDL Limited	Ordinary	50 %

David Luke Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2014**

9. Fixed asset investments (continued)

The aggregate of the share capital and reserves as at 31 December 2014 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(loss) £
USDL Limited	2	-

10. Stocks

	2014 £	2013 £
Raw materials	534,257	551,738
Finished goods	3,285,892	3,209,042
	<u>3,820,149</u>	<u>3,760,780</u>

11. Debtors

	2014 £	2013 £
Trade debtors	541,590	465,716
VAT recoverable	125,891	111,325
Other debtors	34,005	42,200
Prepayments and accrued income	60,498	115,944
	<u>761,984</u>	<u>735,185</u>

David Luke Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2014**

**12. Creditors:
Amounts falling due within one year**

	2014 £	2013 £
Bank loans and overdrafts	1,327,560	1,144,893
Trade creditors	715,556	827,135
Corporation tax	51,824	45,970
Other taxation and social security	27,089	29,246
Other creditors	6,288	3,385
Accruals and deferred income	30,181	17,528
	<u>2,158,498</u>	<u>2,068,157</u>

Bank borrowings are secured by a first legal charge over all leasehold properties and a first fixed and floating charge over book, other debts and chattels, both present and future.

**13. Creditors:
Amounts falling due after more than one year**

	2014 £	2013 £
Bank loans	<u>293,147</u>	<u>457,983</u>

Included within the above are amounts falling due as follows:

	2014 £	2013 £
Between two and five years		
Bank loans	<u>293,147</u>	<u>457,983</u>

The bank loan is repayable in 33 monthly installments at the rate of 2.1% p.a over the Bank of England's Sterling Base Rate.

14. Deferred taxation

	2014 £	2013 £
At beginning of year	40,657	10,141
Charge for year (P&L)	6,887	30,516
	<u>47,544</u>	<u>40,657</u>
At end of year		

David Luke Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2014**

14. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2014 £	2013 £
Accelerated capital allowances	<u>47,544</u>	<u>40,657</u>

15. Share capital

	2014 £	2013 £
Allotted, called up and fully paid		
20,855 Ordinary shares of £1 each	<u>20,855</u>	<u>20,855</u>

16. Reserves

	Profit and loss account £
At 1 January 2014	3,363,578
Profit for the financial year	207,891
Dividends (Note 18)	(30,865)
At 31 December 2014	<u>3,540,604</u>

17. Reconciliation of movement in shareholders' funds

	2014 £	2013 £
Opening shareholders' funds	3,384,433	3,145,330
Profit for the financial year	207,891	308,674
Dividends (Note 18)	(30,865)	(37,476)
Shares redeemed during the year	-	(32,095)
Closing shareholders' funds	<u>3,561,459</u>	<u>3,384,433</u>

18. Dividends

	2014 £	2013 £
Dividends paid on equity capital at £1.48 per share (2013: £1.78 per share)	<u>30,865</u>	<u>37,476</u>

David Luke Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2014**

19. Net cash flow from operating activities

	2014 £	2013 £
Operating profit	331,581	424,317
Depreciation of tangible fixed assets	119,446	87,156
Increase in stocks	(59,369)	(917,308)
(Increase)/decrease in debtors	(64,992)	49,632
(Decrease)/increase in creditors	(98,182)	139,890
Net cash inflow/(outflow) from operating activities	228,484	(216,313)

20. Analysis of cash flows for headings netted in cash flow statement

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest paid	(72,290)	(61,396)

	2014 £	2013 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(78,640)	(208,625)

	2014 £	2013 £
Financing		
Issue of ordinary shares	-	(215)
Purchase of ordinary shares	-	(31,880)
Repayment of loans	(164,836)	(159,969)
Net cash outflow from financing	(164,836)	(192,064)

David Luke Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2014**

21. Analysis of changes in net debt

	1 January 2014 £	Cash flow £	Other non-cash changes £	31 December 2014 £
Cash at bank and in hand	96,426	25,861	-	122,287
Bank overdraft	(964,893)	(182,667)	-	(1,147,560)
	<u>(868,467)</u>	<u>(156,806)</u>	<u>-</u>	<u>(1,025,273)</u>
Debt:				
Debts due within one year	(180,000)	164,836	(164,836)	(180,000)
Debts falling due after more than one year	(457,983)	-	164,836	(293,147)
	<u>(1,506,450)</u>	<u>8,030</u>	<u>-</u>	<u>(1,498,420)</u>
Net debt	<u>(1,506,450)</u>	<u>8,030</u>	<u>-</u>	<u>(1,498,420)</u>

22. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £66,616 (2013: £92,193). No contributions were payable to the fund at the balance sheet date.

23. Operating lease commitments

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	2014 £	2013 £
Expiry date:		
Within 1 year	3,076	3,076
Between 2 and 5 years	3,856	3,632
	<u>3,076</u>	<u>3,632</u>

David Luke Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2014**

24. Related party transactions

Mr D H Burgess, a director and shareholder of the company, is also a director of The Schoolwear Show Limited and The National Children's Wear Association of Great Britain and Ireland.

David Luke Limited received £10,000 (2013: £17,500) during the year from The Schoolwear Show Limited in respect of a management charge.

During the year, The Schoolwear Show Limited charged David Luke Limited £6,840 (2013: £6,480) for exhibition costs.

During the year, subscriptions were paid to The National Children's Wear Association of Great Britain and Ireland totalling £250 (2013: £250)

Mr A Luke, a director and shareholder of the company, received £13,685 (2013: £22,719) in respect of consultancy fees.

Mr I R McLaverty, a director of the company, is the son of Mr R E McLaverty and a director of Uniforms & Sportswear Distributors Limited. During the year, the company made purchases from Uniforms & Sportswear Distributors Limited of £3,125,389 (2013: £2,691,400). These transactions were carried out on an arms length basis, and on normal commercial terms. At the year end, the company owed Uniforms & Sportswear Distributors Limited £5,141 (2013: £185,188) and is included within trade creditors.

During the year the company paid dividends totalling £15,229 (2013: £18,316) to the directors of the company.