

TURNBULL & ASSER LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 2 FEBRUARY 2019



TURNBULL & ASSER LIMITED

COMPANY INFORMATION

Directors	Ali Fayed James Allie Fayed Steven Jeffrey Quin Neil Charles Clifford Liam Fayed Jonathan Baker Mark Turner
Registered number	01066321
Registered office	14 South Street London W1K 1DF
Independent auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG

TURNBULL & ASSER LIMITED

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**STRATEGIC REPORT
FOR THE PERIOD ENDED 2 FEBRUARY 2019**

Introduction

The directors present their strategic report of the company for the period ended 2 February 2019.

Principal activities and business review

The principal activity of the company is the retail of bespoke shirts and ready to wear premium quality gentleman's clothing from multiple London premises in Mayfair and through its online e-commerce site. The company also wholesales garments to customers throughout the UK and abroad. Aside from its selling activities the company is also engaged in the manufacture of shirts and ties from its own factories based in the UK.

The period to February 2019 was a challenging one. Revenues fell on the previous year (but were level if the 53rd week in the year to February 2018 is excluded). Gross margins improved by 2.8ppts due to the business better managing older inventories. Overhead control significantly reduced expenditure in the year meaning that operating losses reduced by £650k to -£552k.

The management team has been strengthened by the recruitment of a Supply Chain Director who will be focused on improving efficiency and quality at the Shirt and Tie factories and improving raw material and 3rd party finished goods sourcing.

The Royal Warrant from HRH Prince of Wales was granted for another five years.

During the period, ten million £0.10 shares were issued and fully paid. This equates to a £1,000,000 cash injection.

Principal risks and uncertainties

The management of the business and the execution of the company's business strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to competition from global, national and independent retailers, employee retention, product quality and continuing delivery of high levels of customer service. As a number of the company's customers are high net worth individuals the financial health of the global economy is also an important factor. The opaqueness caused by Brexit means it is difficult to predict the impact of the United Kingdom's future relationship with the European Union on the company's suppliers, customers and future growth prospects.

The directors consider the company's exposure to credit risk, liquidity risk and currency risk to be minimal and consider the disclosure of their financial risk management objectives and policies not to be significant in the assessment of the assets, liabilities, financial position and profit and loss of the company.

Key performance indicators

The company's directors are of the opinion that the use of sales and margin measures are sufficient to monitor the ongoing performance of the business and can be used to facilitate short term planning. Overheads are managed through the setting of financial forecasts with regular budget holder reviews to assess performance against these targets. Any short term adverse events are mitigated by the control of costs, and a longer term forecast which is provided on a quarterly basis which is used to consider any longer term strategic challenges.

Future development and performance of the business of the company during the financial period

Performance for the first half of the financial period ending 01 February 2020 has been mixed with the business impacted by general retail headwinds experienced across the sector. Management have implemented a cost control program which will be applied to offset lost revenue where possible.

TURNBULL & ASSER LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 2 FEBRUARY 2019**

Going concern

The Directors have reviewed the cash flow forecasts for a period of not less than 12 months from the date of signing these financial statements. The cash flow forecast takes into account reasonably possible changes in trading performance.

The £500,000 working capital facility received from the bank has been secured until October 2019. The company has a loan from a related company T&A Holdings LLC, originally for a period to December 2015 and amounting to £600,000 plus accrued interest renewable for more than one year at the option of either party and which has not been recalled. The Directors have also obtained a letter of support from a company controlled by the ultimate controlling party. In the event that the company is unable to meet its liabilities as they fall due, this company has confirmed that they have sufficient funds and are willing to meet any liabilities as they fall due for a period of at least 12 months from the date of signing these financial statements on this basis. The Directors have concluded that they have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements. The Company therefore continues to adopt the going concern basis in the financial statements.

Position of the company at the period end

The loss for the financial period amounted to £576,000 (2018: loss £1,164,000). Net assets amounted to £6,023,000 (2018: £5,599,000).

This report was approved by the board on *3rd October 2019* and signed on its behalf.


Jonathan Baker
Director

TURNBULL & ASSER LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 2 FEBRUARY 2019

The directors present their report and the financial statements for the period ended 2 February 2019.

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 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 for the Company's financial statements 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 to 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.

Results and dividends

The loss for the period, after taxation, amounted to £576 thousand (2018 - loss £1,164 thousand).

Directors

The directors who served during the period were:

Ali Fayed
James Allie Fayed
Steven Jeffrey Quin
Neil Charles Clifford
Liam Fayed
Jonathan Baker
Mark Turner

TURNBULL & ASSER LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 2 FEBRUARY 2019**

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 the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the 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.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

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

This report was approved by the board on *3rd October 2019* and signed on its behalf.



Jonathan Baker
Managing Director

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TURNBULL & ASSER LIMITED

Opinion

We have audited the financial statements of Turnbull & Asser Limited (the 'Company') for the period ended 2 February 2019, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, 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 2 February 2019 and of its loss for the period 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 United Kingdom, including the Financial Reporting Council'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 Auditors' 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

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TURNBULL & ASSER LIMITED
(CONTINUED)**

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.

Opinion 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 period 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.

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 Directors' Report.

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

As explained more fully in the Directors' Responsibilities Statement on page 3, 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.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TURNBULL & ASSER LIMITED
(CONTINUED)**

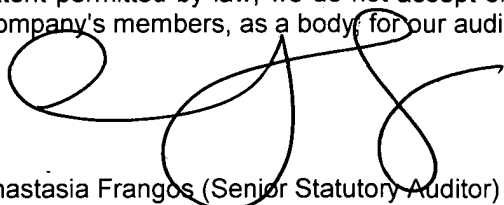
Auditors' responsibilities for the audit of the financial statements

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

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

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 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.



Anastasia Frangos (Senior Statutory Auditor)

for and on behalf of
Haysmacintyre LLP

Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

Date: 4 October 2019

TURNBULL & ASSER LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 2 FEBRUARY 2019**

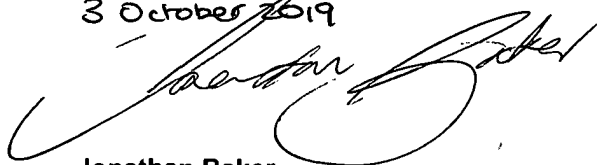
	Note	2019 £000	2018 £000
Turnover	4	10,110	10,397
Cost of sales		(4,259)	(4,670)
Gross profit		<u>5,851</u>	<u>5,727</u>
Distribution costs		(364)	(399)
Administrative expenses		(6,234)	(6,412)
Other operating income	5	244	258
Exceptional other operating charges	7	(49)	(376)
Operating loss	6	<u>(552)</u>	<u>(1,202)</u>
Interest receivable and similar income		1	1
Interest payable and expenses		(8)	(12)
Loss before tax		<u>(559)</u>	<u>(1,213)</u>
Tax on loss	12	(17)	49
Loss for the financial period		<u>(576)</u>	<u>(1,164)</u>
Other comprehensive income for the period			
Total comprehensive income for the period		<u>(576)</u>	<u>(1,164)</u>

The notes on pages 12 to 29 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 2 FEBRUARY 2019

	Note	2 February 2019 £000	3 February 2018 £000
Fixed assets			
Tangible fixed assets	13	4,210	4,320
		<u>4,210</u>	<u>4,320</u>
Current assets			
Stocks	14	1,825	2,521
Debtors due within 1 year	15	1,145	1,000
Bank and cash balances		1,122	421
		<u>4,092</u>	<u>3,942</u>
Creditors: Amounts Falling Due Within One Year	17	(2,202)	(2,603)
		<u>1,890</u>	<u>1,339</u>
Net current assets		<u>1,890</u>	<u>1,339</u>
Total assets less current liabilities		<u>6,100</u>	<u>5,659</u>
Provisions for liabilities			
Deferred tax		(77)	(60)
		<u>(77)</u>	<u>(60)</u>
Net assets		<u><u>6,023</u></u>	<u><u>5,599</u></u>
Capital and reserves			
Called up share capital		4,850	3,850
Capital redemption reserve		30	30
Profit And Loss Account		1,143	1,719
		<u>6,023</u>	<u>5,599</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
3 October 2019



Jonathan Baker
Director

The notes on pages 12 to 29 form part of these financial statements.

TURNBULL & ASSER LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 2 FEBRUARY 2019**

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£000	£000	£000	£000
At 4 February 2018	3,850	30	1,719	5,599
Comprehensive income for the period				
Loss for the period	-	-	(576)	(576)
Shares issued during the period	1,000	-	-	1,000
At 2 February 2019	<u>4,850</u>	<u>30</u>	<u>1,143</u>	<u>6,023</u>

The notes on pages 12 to 29 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 3 FEBRUARY 2018**

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£000	£000	£000	£000
At 28 January 2017	3,450	30	2,883	6,363
Comprehensive income for the year				
Loss for the year	-	-	(1,164)	(1,164)
Shares issued during the year	400	-	-	400
At 3 February 2018	<u>3,850</u>	<u>30</u>	<u>1,719</u>	<u>5,599</u>

The notes on pages 12 to 29 form part of these financial statements.

TURNBULL & ASSER LIMITED

**STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 2 FEBRUARY 2019**

	2 February 2019 £000	3 February 2018 £000
Cash flows from operating activities		
Loss for the financial period	(576)	(1,164)
Adjustments for:		
Depreciation of tangible assets	379	404
Loss on disposal of tangible assets	-	99
Interest paid	8	12
Interest received	(1)	(1)
Taxation charge	17	(49)
Decrease in stocks	696	739
(Increase)/decrease in debtors	(145)	336
(Decrease) in creditors	(405)	(279)
Corporation tax received	-	23
Net cash generated from operating activities	<u>(27)</u>	<u>120</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(270)	(193)
Interest received	1	1
Net cash from investing activities	<u>(269)</u>	<u>(192)</u>
Cash flows from financing activities		
Issue of ordinary shares	1,000	400
Repayment of loans	-	(30)
Interest paid	(2)	(13)
Net cash used in financing activities	<u>998</u>	<u>357</u>
Net increase in cash and cash equivalents	<u>702</u>	<u>285</u>
Cash and cash equivalents at beginning of period	421	136
Cash and cash equivalents at the end of period	<u><u>1,123</u></u>	<u><u>421</u></u>
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	1,123	421
	<u><u>1,123</u></u>	<u><u>421</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 FEBRUARY 2019**

1. General information

Turnbull & Asser Limited is a private company limited by shares and is incorporated and domiciled in the United Kingdom. The address of its registered office is 14 South Street, London, W1K 1DF.

The principal activity of the company is the retail of bespoke shirts and ready to wear premium quality gentleman's clothing from London premises in Jermyn Street, Bury Street and Davies Street and through its online e-commerce site. The company also wholesales garments to customers throughout the UK and abroad. Aside from its selling activities the company is also engaged in the manufacture of shirts and ties from its own factories based in the UK.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The Directors have reviewed the cash flow forecasts for a period of not less than 12 months from the date of signing these financial statements. The cash flow forecast takes into account reasonably possible changes in trading performance.

In the event that the company is unable to meet its liabilities as they fall due, T&A Holdings LLC, a related Company, has confirmed that they have sufficient funds and are willing to meet any liabilities as they fall due for a period of at least 12 months from the date of signing these financial statements. The Directors have concluded that they have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements. The Company therefore continues to adopt the going concern basis in the financial statements.

2.3 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 FEBRUARY 2019

2. Accounting policies (continued)

2.4 Turnover

Turnover represents amounts receivable for the sale of goods to customers and concession commissions net of VAT and trade discounts. Turnover is recognised on sale and despatch of goods.

2.5 Exceptional items

The company classifies certain one-off charges or credits that have a material impact on the company's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the company.

2.6 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.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 Interest income

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

2.8 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.

2.9 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the period in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 FEBRUARY 2019**

2. Accounting policies (continued)

2.10 Current and deferred taxation

The tax expense for the period 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 reporting 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 Statement of Financial Position 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 reporting date.

2.11 Employee Benefits

The company provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans.

ii) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

ii) Defined contribution pension plans

A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

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 period. The assets of the scheme are held separately from those of the company in an independently administered fund.

2.12 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 FEBRUARY 2019

2. Accounting policies (continued)

2.12 Tangible fixed assets (continued)

Depreciation 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 Land	- No depreciation charge
Freehold Property	- Straight line over 75 years
Leasehold Property	- Straight line over 15 - 100 years (length of lease)
Fixtures and fittings	- Straight line over 2 - 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.

2.13 Leased assets

At inception the company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

ii) Operating leases

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases.

Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

ii) Lease incentives

Incentives received to enter into an operating lease are credited to the income statement, to reduce the lease expense, on a straight line basis over the period of the lease.

The company has taken advantage of the exemption under Section 35.10(p) of FRS 102 in respect of lease incentives on leases in existence on the date of transition to FRS 102 (2 February 2014) and continues to credit such lease incentives to the income statement over the period to the first review date on which the rent is adjusted to market rates.

2.14 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 reporting 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 FEBRUARY 2019**

2. Accounting policies (continued)

2.15 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.

2.16 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.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.17 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.

2.18 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 Statement of Financial Position 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 Statement of Financial Position.

2.19 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 non-puttable ordinary shares.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 FEBRUARY 2019**

3. Critical accounting judgements and estimation uncertainty

The preparation of the financial statements requires management to make judgement, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenues and expenses. Actuals results may differ from these estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, vary to the actual results. The estimates and assumptions that are most likely to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial period are addressed below.

Stock valuation

The company designs, manufactures and sells clothing and accessories and is subject to changing consumer demands and fashion trends. As a result, it is necessary to consider the recoverability of the cost of inventory and the associated provisioning required. When calculating the inventory provision, management considered the nature and condition of the inventory, as well as applying assumptions around the anticipated saleability of finished good and future usage of raw materials.

Impairment of non-financial assets

The company is operated from leasehold stores and online. Each store is considered to be a cash generating unit. At each balance sheet date non financial assets not carried at fair value are assessed to determine whether there is an indication that the asset's cash generating unit may be impaired. Management considers forecast sales and cash generation for each store and applies assumptions with respect to future growth.

Bad debt provision

Management will review all outstanding debts and provide for those it considers to be no longer recoverable. This is based on the length of time the debt has been outstanding for and the customer history.

TURNBULL & ASSER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 FEBRUARY 2019**

4. Turnover

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

	2019 £000	2018 £000
Sale of goods	9,695	9,943
Concession Commission	415	454
	<u>10,110</u>	<u>10,397</u>

Analysis of turnover by country of destination:

	2019 £000	2018 £000
United Kingdom	7,261	7,954
United States	1,468	1,228
Continental Europe	601	596
Japan	312	355
Other	468	264
	<u>10,110</u>	<u>10,397</u>

5. Other operating income

	2019 £000	2018 £000
Other operating income	244	258
	<u>244</u>	<u>258</u>

TURNBULL & ASSER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 FEBRUARY 2019**

6. Operating loss

The operating loss is stated after charging:

	2019 £000	2018 £000
Other operating lease rentals	862	886
Depreciation of owned fixed assets	379	404
Fees payable for the audit	15	28
Fees payable for other services - tax compliance and company secretarial	3	4
Net gain on foreign currency	1	17
Loss on disposal of tangibles	1	48
	<u> </u>	<u> </u>

7. Exceptional items

	2019 £000	2018 £000
Company restructuring costs	49	325
Abortive store opening costs	-	51
	<u> </u>	<u> </u>
	<u>49</u>	<u>376</u>

TURNBULL & ASSER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 FEBRUARY 2019**

8. Employees

Staff costs were as follows:

	2019 £000	2018 £000
Wages and salaries	3,935	4,161
Social security costs	358	389
Cost of defined contribution scheme	164	172
	<u>4,457</u>	<u>4,722</u>

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

	2019 No.	2018 No.
Production Staff	83	92
Retail Staff	14	15
Administrative Staff	42	44
	<u>139</u>	<u>151</u>

TURNBULL & ASSER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 FEBRUARY 2019**

9. Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were:

	2 February 2019 £000	3 February 2018 £000
Emoluments receivable	377	638
Value of company pension contributions to money purchase schemes	24	33
	<hr/>	<hr/>
	401	671
Emoluments of highest paid director		
Emoluments excluding pension contributions	195	233
Value of company pension contributions to money purchase schemes	11	3
	<hr/>	<hr/>
	206	236
Key Management Compensation		
Salaries and other short-term benefits	423	638
Post-employment benefits	24	33
	<hr/>	<hr/>
	447	671

The number of directors accruing benefits under defined benefit company pension schemes was nil (2018: nil).

Key management includes the directors and members of senior management.

10. Interest receivable

	2019 £000	2018 £000
Other interest receivable	1	1
	<hr/>	<hr/>
	1	1
	<hr/> <hr/>	<hr/> <hr/>

TURNBULL & ASSER LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 FEBRUARY 2019

11. Interest payable and similar expenses

	2019 £000	2018 £000
Bank interest payable	8	12
	<u>8</u>	<u>12</u>

12. Taxation

	2019 £000	2018 £000
Corporation tax		
Current tax on profits for the year	-	(49)
	<u>-</u>	<u>(49)</u>
Total current tax	<u>-</u>	<u>(49)</u>
Deferred tax		
Origination and reversal of timing differences	17	-
	<u>17</u>	<u>-</u>
Total deferred tax	<u>17</u>	<u>-</u>
Taxation on profit/(loss) on ordinary activities	<u>17</u>	<u>(49)</u>

TURNBULL & ASSER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 FEBRUARY 2019**

12. Taxation (continued)**Factors affecting tax charge for the period/year**

The tax assessed for the period/year is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19.5%). The differences are explained below:

	2019 £000	2018 £000
Loss on ordinary activities before tax	(559)	(1,213)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19.5%)	(106)	(236)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1	14
Capital allowances for period/year in excess of depreciation	42	-
Adjustments to tax charge in respect of prior periods	-	(1)
Losses not recognised	74	153
Tax rate changes	6	21
Total tax charge for the period/year	17	(49)

Factors that may affect future tax charges

The change to UK corporation tax rates from the current rate of 19% to 17% for the financial year beginning 1 April 2020 is a factor that will affect future tax charges.

TURNBULL & ASSER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 FEBRUARY 2019**

13. Tangible fixed assets

	Freehold property £000	Long-term leasehold property £000	Fixtures and fittings £000	Total £000
Cost or valuation				
At 4 February 2018	967	3,032	3,968	7,967
Additions	-	52	218	270
Disposals	-	-	(2)	(2)
At 2 February 2019	<u>967</u>	<u>3,084</u>	<u>4,184</u>	<u>8,235</u>
Depreciation				
At 4 February 2018	155	612	2,882	3,649
Charge for the period on owned assets	11	82	286	379
Disposals	-	-	(2)	(2)
At 2 February 2019	<u>166</u>	<u>694</u>	<u>3,166</u>	<u>4,026</u>
Net book value				
At 2 February 2019	<u>801</u>	<u>2,390</u>	<u>1,018</u>	<u>4,209</u>
At 3 February 2018	<u>813</u>	<u>2,421</u>	<u>1,086</u>	<u>4,320</u>

14. Stocks

	2 February 2019 £000	3 February 2018 £000
Raw materials and consumables	580	604
Work in progress (goods to be sold)	104	32
Finished goods and goods for resale	1,141	1,885
	<u>1,825</u>	<u>2,521</u>

TURNBULL & ASSER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 FEBRUARY 2019**

15. Debtors

	2 February 2019 £000	3 February 2018 £000
Trade debtors	197	298
Amounts owed by group undertakings	483	255
Other debtors	191	205
Prepayments and accrued income	274	242
	<u>1,145</u>	<u>1,000</u>

16. Cash and cash equivalents

	2 February 2019 £000	3 February 2018 £000
Cash at bank and in hand	1,123	421
	<u>1,123</u>	<u>421</u>

17. Creditors: Amounts falling due within one year

	2 February 2019 £000	3 February 2018 £000
Bank loans	621	615
Trade creditors	729	463
Other taxation and social security	332	373
Other creditors	43	114
Accruals and deferred income	477	1,038
	<u>2,202</u>	<u>2,603</u>

TURNBULL & ASSER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 FEBRUARY 2019**

18. Loans

Analysis of the maturity of loans is given below:

	2 February 2019 £000	3 February 2018 £000
Amounts falling due within one year		
Bank loans	621	615
	<hr/>	<hr/>
	621	615
	<hr/>	<hr/>
	621	615
	<hr/>	<hr/>

On 15 August 2015, Turnbull & Asser Limited took out a loan with its related company T&A Holdings LLC for £400,000 bearing interest at 1% to finance the opening of the new Mayfair Store. Additional advances have been made totalling £200,000. Extension of repayment beyond the original date of 31 December 2015 has been permitted.

The balance of this loan at February 2019 was £600,000 plus accrued interest.

On 26 April 2017, Turnbull & Asser Limited secured a £500,000 working capital facility. The overdraft is subject to covenants based on the delivery of financial information and was renewed for another year in April 2018. It bears interest at base rate plus 5%. The facility is secured predominantly on the South Street Headquarters. The facility was undrawn as at the year end.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 FEBRUARY 2019

19. Financial instruments

	2 February 2019 £000	3 February 2018 £000
Financial assets that are debt instruments measured at amortised cost:		
Trade Debtors	197	298
Amounts due from related parties	483	255
Other debtors	191	205
	<u>871</u>	<u>758</u>
Financial liabilities measured at amortised cost:		
Trade Creditors	729	463
Loans and Other Borrowings	621	615
Accruals	477	114
Other Creditors	43	786
	<u>1,870</u>	<u>1,978</u>

20. Deferred taxation

	2019 £000
At beginning of year	(60)
Charged to profit or loss	(17)
At end of year	<u>(77)</u>

TURNBULL & ASSER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 FEBRUARY 2019**

20. Deferred taxation (continued)

The deferred tax balance is made up as follows:

	2 February 2019 £000	3 February 2018 £000
Accelerated capital allowances	(81)	(64)
Short term timing differences	4	4
	<u>(77)</u>	<u>(60)</u>
Comprising:		
Liability	(77)	(60)
	<u>(77)</u>	<u>(60)</u>

21. Commitments under operating leases

At 2 February 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2 February 2019 £000	3 February 2018 £000
Not later than 1 year	790	571
Later than 1 year and not later than 5 years	1,889	1,806
Later than 5 years	704	867
	<u>3,383</u>	<u>3,244</u>

TURNBULL & ASSER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 FEBRUARY 2019**

22. Share Capital

	2 February 2019 £000	3 February 2018 £000
48,500,000 (2018: 38,500,000) ordinary shares of £0.10 each	4,850	3,850
	<u>4,850</u>	<u>3,850</u>

The ordinary US\$ share are each entitled to receive dividends amounting to the first 99% of the amount of profits which the company may determine to distribute in respect of any financial period, divided by the number of Ordinary US\$ shares then in issue. The Ordinary £ shares are each entitled to receive a dividend of the remaining 1% of distributable profits, divided by the number of Ordinary £ shares then in issue.

Each Ordinary US\$ share carries 99 votes. Each Ordinary £ share carries one vote.

In the event of a return of capital or winding up the Ordinary US\$ shares shall be entitled to receive the first 99% of the assets available for distribution. Only after the Ordinary US\$ class has received its full entitlement shall the Ordinary £ class be entitled to the balance of the assets available.

Neither class of share is redeemable at the shareholder's request.

During the period, 10,000,000 £0.10 shares were issued and fully paid.

23. Related party transactions

The company has traded with the following companies in which Mr A Fayed, a director, has a beneficial interest.

During the period the company made sales of £928,326 (2018: £900,000) and license income of £211,839 (£200,000) was made from Turnbull & Asser LLC. At the period end the company was owed £483,227 (2018: £255,000) by Turnbull & Asser LLC.

At the period end the company owed £621k (2018: £625k) to T&A Holdings LLC, a company related by directors.

During the period, the company was charged operating expenses of £23,753 (2018: £40,000) by Hyde Park Residence Limited. At the period end the company owed £5,850 (2018: £5,000).

24. Controlling party

The ultimate controlling party is the Fayed family.