Registered number: 1872280

Hackett Limited

Annual Report and Financial Statements for the year ended 31 March 2019

Hackett Limited

Annual Report and Financial Statements for the year ended 31 March 2019

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Hackett Limited

Directors and advisers

Directors

J V P Hackett
N P Midgley
N S Soneji

Registered office

The Clove Building
4 Maguire Street
Butlers Wharf
London
SE1 2NQ

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Kingsway
Cardiff
CF10 3PN

Bankers

Barclays Bank PLC
Deutsche Bank AG
Allied Irish Bank PLC
Credit Suisse Group AG

Solicitors

Heminsley Law Limited
Harper Dennis Hobbs Limited
Kings & Spalding International LLP

Hackett Limited

Strategic Report for the year ended 31 March 2019

The directors present their strategic report of the company for the year ended 31 March 2019.

Principal activities

The Company's principal activity is and continues to be the sale of clothing and accessories. Sales are made through the company's own retail stores, concessions, online and wholesale accounts.

Review of the business

The Company's key financial performance indicators for the year are as follows:

	2019	2018	Change %
	£'000	£'000	
Turnover	**106,305**	116,336	(8,62%)
EBITDA (Earnings before interest, taxation, depreciation, amortization and exceptional items)	**4,896**	3,647	34.25%

Turnover in the UK has been reduced by 8.6% during the fiscal year 2018-2019. The decrease has been driven in the wholesale business (mainly France with the closure of some non-profitable corners in Galerias Lafayette) and Germany market.

During the year the retail business opened a new Outlet (Icon) and closed the Bluewater non profitable store. Full price stores had a reduction on sales by 4.6% offset with an increase of sales for Outlets by 10.9%. At March 31st total own stores in UK amounted to 11, 6 outlets and 1 concessions.

Ecommerce sales have increased by 67.5% during the year. Sessions were up to 14.1% and conversion improved by 41.7% due to site improvements.

Despite a reduction on the sales during the fiscal year by 9%, gross profit has just been reduced by 2.5% driven by cost of the product negotiated with our vendors.

Having a reduction on sales partially offset with a better margin, the company has been focussed on reducing and controling the expenses, which have being reduced by 3%. With this reduction together with an improvement in the margin on the sales give us an increase in EBITDA of 4,896 (increased by 34%) compared to the previous year.

Assets of the company have been reduced by 13% mainly due to a provision of diminution of value in subsidiaries reducing the value of the investments, and a lower balance in accounts receivable, offset partially with more cash in Banks. On the other hand we have a reduction as well on liabilities of 11% driven by a lower balance payable.

The financial position of the company show equity of £37,708K with a net current assets of £16,096K.

Hackett Limited

Strategic Report for the year ended 31 March 2019 (continued)

Future outlook

The Strategy of the Company continues to focus on building the current brand position as well as driving the performance of the existing portfolio. The Company trades with wholesale and franchise partners in over fifty five markets and is continually exploring new opportunities with existing partners to drive growth. The company will also continue investing and developing the online channel as well as improving all the existing areas.

Management recognise that one of the main challenges faced by operating in a global market is that costs need to be tightly controlled. This will ensure that the Company continues as a going concern and gains more momentum and leverage in the future.

Principal risks and uncertainties

The global economic climate continues to be challenging as the consumer becomes more demanding and political landscapes become ever changing. This can create levels of uncertainty that the Directors have to consider constantly. As a result the Company continues to monitor credit risk working with customers, suppliers and insurance providers to reduce risk where possible.

Also with ever growing presence online, the Company are committed to reducing cyber risk. There are currently several filters in place for this, with the company continuing to invest and improve in line with the market.

Pepe Jeans S.L. as a parent company of Hackett UK is committed to support the Company and this is also an important factor in ensuring that credit risk is managed.

The exchange rate risk has continued with the further movement of the pound versus the different currencies that the company work in. Where possible, currency risk is mitigated by the use of hedging instruments.

The company has been working on scenarios that take into consideration all the possible outcomes following the UK's decision ('Brexit') to leave the EU without clear implications of the future relationship between the UK and the EU.

On behalf of the board:

N P Midgley
Director
30 September 2019

Hackett Limited

Report of the directors for the year ended 31 March 2019

The directors present their annual report and the audited financial statements of the company for the year ended 31 March 2019.

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements:

J V P Hackett
N P Midgley
N S Soneji

Financial risk management

Financial risk management includes putting clear and effective process and controls in place to reduce price risk, credit risk, liquidity risk and cash flow risk.

Price risk is managed by setting clear margin targets in advance of each season and pricing to a fixed exchange rate for both sales and purchases. Credit risk is managed by insuring each customer and where not available ensuring that stock is paid for in advance. Liquidity risk is managed by forecasting both loan and cash requirements. Banking and loan facilities are then reviewed and agreed with the Company's bankers (as outlined in page 1) and parent company. The Company's treasury function manages the cash flow risk on a daily basis ensuring that the Company remains within its banking and loan facilities at all times.

Employee involvement

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the company as a whole.

Employees are regular updated with company performance and are actively encouraged to provide feedback to the Company by putting feedback in to suggestion boxes and online questionnaires. In addition employees are part of a non-contractual bonus scheme to share in the success of the Company's performance when annual targets are achieved.

Dividends

The directors do not propose a final dividend for theyear end 31 March 2019 (2018: £0)

Future development

Future development is already explained under "Future Outlook" in Section of the Strategic Report

Hackett Limited

Report of the directors for the year ended 31 March 2019 (continued)

Disabled persons

Applications for employment by disabled persons are always fully considered, 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 the 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.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 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.

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.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

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

Hackett Limited

Report of the directors for the year ended 31 March 2019 (continued)

Directors' indemnities

The Company's parent company held qualifying Directors' and Officers' liability insurance throughout the accounting year and at the date of approval of the financial statements on behalf of the company's directors. Neither the indemnities nor the insurance provide cover in the event that a Director is proved to have acted fraudulently.

Going concern

The financial statements have been prepared on a going concern basis as the directors' believe that the company is well placed to manage the business risks. The company has positive net assets and adequate financial resources and cash available to continue to operate for a period of 12 months after the approval of the financial statements.

Provision of information to the auditors

The directors confirm that so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware; and that each director has taken all steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution that they be reappointed will be proposed at the Annual General Meeting.

Approved by the board and signed on behalf of the board by:

N P Midgley
Director
30 September 2019

Hackett Limited

Independent auditors' report to the members of Hackett Limited

Report on the audit of the financial statements

Opinion

In our opinion, Hackett Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 March 2019; the profit and loss account, the statement of comprehensive income and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- 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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Independent auditors' report to the members of Hackett Limited (continued)

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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent auditors' report to the members of Hackett Limited (continued)

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Mark Ellis

Mark Ellis (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cardiff
30 September 2019

Hackett Limited

Profit and loss account for the year ended 31 March 2019

	Notes	2019 £'000	2018 £'000
Turnover	4	**106,305**	116,336
Cost of sales		**(49,884)**	(58,534)
Gross profit		**56,421**	57,802
Operating expenses	5,6	**(64,177)**	(66,196)
Other operating income	7	**1,005**	1,590
Operating loss	7	**(6,751)**	(6,804)
Operating loss analysed as: Earnings before interest, tax, depreciation. amortisation and exceptional items ("EBITDA")		**4,896**	3,647
Exceptional items	6	**(6,105)**	(4,156)
Depreciation and loss on disposal of fixed assets	7	**(2,776)**	(3,500)
Amortisation	7,14	**(2,766)**	(2,795)
Interest receivable and similar income	10	**516**	329
Interest payable and similar expenses	11	**(1,380)**	(1,511)
Loss before taxation		**(7,615)**	(7,986)
Tax on loss	13	**(92)**	291
Loss for the financial year	24	**(7,707)**	(7,695)

All of the Company's activities arise from continuing operations.

Statement of comprehensive income for the year ended 31 March 2019

	2019 £'000	2018 £'000
Loss for the financial year	**(7,707)**	(7,695)
Exchange loss on translation of foreign branch	**-**	(5)
Fair value movement in hedging instruments	**491**	(481)
Deferred tax on hedging	**(97)**	96
Other comprehensive income/(loss) for the financial year	**394**	(390)
Total comprehensive loss for the financial year	**(7,313)**	(8,085)

Hackett Limited

Balance sheet as at 31 March 2019

	Notes	2019 £'000	2018 £'000
Fixed Assets			
Intangible assets	14	**7,375**	9,294
Tangible assets	15	**6,858**	7,538
Investments	16	**13,191**	18,141
		27,424	34,973
Current assets			
Stocks	18	**24,981**	24,662
Debtors: amounts falling due within one year	19	**15,367**	20,594
Debtors: amounts falling due after more than one year	17	**966**	1,093
Cash at bank and in hand		**5,087**	3,466
		46,401	49,815
Creditors: amounts falling due within one year	20	**(30,305)**	(33,807)
Net current assets		**16,096**	16,008
Total assets less current liabilities		**43,520**	50,981
Creditors: amounts falling due after more than one year	21	**(5,812)**	(5,960)
Net assets		**37,708**	45,021
Capital and reserves			
Called up share capital	23	**48,082**	48,082
Other reserves	24	**81**	(313)
Accumulated losses	24	**(10,455)**	(2,748)
Total shareholders' funds	25	**37,708**	45,021

The financial statements on pages 10 to 38 were approved by the board of Directors on 27 September 2019 and were signed on its behalf by:

N P Midgley
Director
30 September 2019
Company registered number: 1872280

Hackett Limited

Statement of Changes in Equity for the year ended 31 March 2019

	Called-up share capital	Other reserves	Retained Earnings/ Accumulated losses	Total shareholders' funds
	£'000	£'000	£'000	£'000
At 1 April 2017	41,082	72	4,952	46,106
Loss for the financial year	-	-	(7,695)	(7,695)
Other comprehensive loss	-	(385)	(5)	(390)
Total comprehensive loss	-	(385)	(7,700)	(8,085)
Issue of shares	7,000	-	-	7,000
At 31 March 2018	48,082	(313)	(2,748)	45,021
Loss for the financial year	-	-	(7,707)	**(7,707)**
Other comprehensive income	-	394	-	**394**
Total comprehensive income/(loss)	-	394	(7,707)	**(7,313)**
At 31 March 2019	**48,082**	**81**	**(10,455)**	**37,708**

Hackett Limited

Notes to the financial statements for the year ended 31 March 2019

1. General information

Hackett Limited ('the Company') is a private limited Company limited by shares and is incorporated and domiciled in the United Kingdom.The address of its registered office is The Clove Building, 4 Maguire Street, Butlers Wharf, London, England, SE1 2NQ. The registered number of the Company is 1872280.

The principal activity of the Company is and continues to be the retailing and wholesale of clothing and accessories directly from the UK, through own shops, concessions, online and wholesale accounts.

2. Statement of compliance

The financial statements of Hackett Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards relating to the United Kingdom including FRS 102.

b) Going concern

On the basis of their assessment of the Company's financial position and resources, the directors believe that the Company is well placed to manage its business risks. The company has positive net assets and adequate financial resources and cash available to continue to operate for a period of 12 months after the approval of the financial statements.

c) Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions, have been complied with. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. The Company is a qualifying entity as its results are consolidated into the financial statements of PJL Investments B.V. which are publically available.

3. Accounting policies (continued)

c) Exemptions for qualifying entities under FRS 102 (continued)

As a qualifying entity, the Company has taken advantage of the following exemptions:

i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
ii) from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
iii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv) of FRS 102; and
iv) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.

d) Basis of consolidation

The Company is exempt under section 400 of the Companies Act 2006 from preparing consolidated financial statements on the grounds that the results of the Company and its subsidiaries are incorporated in the consolidated financial statements of the ultimate parent Company, PJL Investments B.V.

e) Foreign currencies

(i) Functional and presentation currency

The company's functional and presentation currency is the pound sterling.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the prior months closing exchange rates. Sales and purchases in hedged currencies are recorded at the corresponding seasonal hedged rate. At month end the resulting receivables and payables are revalued as part of the month end closing process to the published Group monthly closing rates.

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.

Hackett Limited

Notes to the financial statements for the year ended 31 March 2019 (continued)

3. Accounting policies (continued)

e) Foreign currencies (continued)

(ii) Transactions and balances (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 profit and loss account.

(iii) Translation

The trading results of overseas undertakings are translated into sterling at the average exchange rates for the year. The assets and liabilities of overseas undertakings, including goodwill and fair value adjustments arising on acquisition, are translated at the exchange rates ruling at the year end. Exchange adjustments arising from the retranslation of opening net investments and from the translation of the profits or losses at average rates are recognised in 'Other comprehensive income'.

f) Turnover recognition

Turnover reflects the aggregate amount invoiced by the Company for goods and excludes returns, allowances and VAT.

(i) Wholesale revenue is recognised on despatch of goods and it recognised net of sales incentives, rebates and other discounts.

(ii) Retail revenue is recognised at when the goods are paid for at the point of sale.

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on despatch of the goods.

g) Exceptional items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Company. They are material items of income or expense that have been shown separately due to the significance of their nature or amount and/or fall outise the ordinary activities.

h) Employee benefits

The Company provides a range of benefits to employees, including defined contribution pension plans and bonus plan.

(i) Short term benefits

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

3. Accounting policies (continued)

h) Employee benefits (continued)

(ii) Defined contribution pension scheme

Contributions to the Company stakeholder scheme are charged to the income statement as they are incurred. There is no other pension scheme operated within the Company.

(iii) Annual bonus plan

The Company operates an annual bonus plan for employees. An expense is recognised in the income statement when the Company has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

i) Taxation

Taxation expense for the period comprises current and deferred income tax recognised in the reporting period. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current and deferred income tax is measured on a non-discounted basis.

(i) Current tax

The expense or credit for current income tax is based on the results for the year adjusted for items that are either not subject to taxation or for expenditure which cannot be deducted in computing the tax expense or credit. The tax expense or credit is calculated using taxation rates that have been enacted or substantively enacted at the reporting date.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from thc inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

3. Accounting policies (continued)

j) Intangible assets and amortisation

Intangible assets are recorded at purchase cost, together with any incidental costs of acquisition, less amortization and impairment losses.

Amortisation is calculated so as to write off the cost of intangible assets over their estimated residual value.

The principal periods used for this purpose are:

Commercial rights	The period of the contract
Program Applications	3 years (life expectancy)
Transfer rights (key money)	The period of the lease

Transfer rights relate to the rights paid in relation to the rental leases for the company's shops and are written off on the basis of the duration of the leases.

Website development cost are recognised at cost and are not depreciated until they are avaliable for use. They are recorded as Intangible assets as they are directly attibutable to the design and testing of software and meet the following criteria:

- it is technically feasible to complete the software so that it will be availabe for use
- there is an ability to use the software
- it can be demostrated how the software will generate probable future economic benefits.
- adequate technical, financial and other resources are available to complete the development
- the expenditure attributable to the software during its development can be reliably measured

Website development cost have been categorised as intangible assets during this financial year. There were included under asset under construction in tangible assets during the prior year.

k) Tangible assets

Property, plant and equipment are recorded at purchase cost, together with any incidental costs of acquisition less accumulated depreciation and accumulated impairment losses, if any. Property, plant and equipment values are reviewed for impairment in accordance with section 17 of FRS 102; Property, plant and equipment.

Depreciation is calculated so as to write-off the cost of property, plant and equipment, less their estimated residual values, on a straight-line basis over the expected useful economic lives of the assets concerned.

The principal periods used for this purpose are:

3. Accounting policies (continued)

k) Tangible assets(continued)

Leasehold improvement	10 years (usual life of the contracts)
Fixtures, fittings and other equipment	5 years (life expectancy)
Computer equipment	3 years (life expectancy)

Assets in the course of construction are stated at cost. These assets are not depreciated until they are available for use.

Repairs, maintenance and minor inspection costs are expensed as incurred.

Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the income statement and included in 'Other operating gain/(losses)'.

l) Leased assets

(i) Operating leased assets

Leases that do not transfer all the risk and rewards of ownership are classified as operating leases. All leases are operating leases. Rental payable in respect of operating leases are charged to the income statement on a straight-line basis over the lease term.

(ii) Lease incentive

Incentives received to enter into a finance lease reduce the fair value of the asset and are included in the calculation of present value of minimum lease payments.

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.

m) Impairment of non-financial assets

At each reporting date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset.

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future pre-tax and interest cash flows obtainable as a result of the asset's continued use. The pre-tax and interest cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the income statement, unless the

3. Accounting policies (continued)

m) Impairment of non-financial (continued)

asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the income statement.

If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the income statement.

n) Investments

Investment in subsidiary company is held at historical cost less accumulated impairment losses.

o) Stocks

Stocks are stated at the lower of cost and fair value less cost to sell. Cost is determined on a first-in-first-out basis and includes transport and handling costs. Where necessary, provision is made for obsolete, slow moving and defective stocks.

p) Cash at bank and in hand

Cash at bank and in hand includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts, if any.

q) Financial instruments

The Company has chosen to adopt sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

Hackett Limited

Notes to the financial statements for the year ended 31 March 2019 (continued)

3. Accounting policies (continued)

q) Financial instruments (continued)

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the income statement.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables and loans from fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements 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 to liability simultaneously.

(iv) Hedging arrangements

If specified criteria are met, an entity may designate a hedging relationship between a hedging instrument and a hedged item in such a way as to qualify for hedge accounting.

To qualify for hedge accounting, an entity shall comply with all of the following conditions:

3. Accounting policies (continued)

q) Financial instruments (continued)

To qualify for hedge accounting, an entity shall comply with all of the following conditions:

a) the entity designates and documents the hedging relationship so that the risk being hedged, the hedged item and the hedging instrument are clearly identified and the risk in the hedged item is the risk being hedged with the hedging instrument;
b) the hedged risk is one of the risks specified in paragraph 12.17 of FRS 102.
c) the hedging instrument is as specified in paragraph 12.18 of FRS 102; and
d) the entity expects the hedging instrument to be highly effective in offsetting the designated hedged risk.

If the above mentioned conditions are met than the entity shall recognise in other comprehensive income the portion of the change in the fair value of the hedging instrument that was effective in offsetting the change in the fair value or expected cash flows of the hedged item (effective portion).

The hedging gain or loss recognised in other comprehensive income shall be reclassified to profit or loss when the hedged item is recognised in income statement or when the hedging relationship ends.

However, the cumulative amount of any exchange differences that relate to a hedge of a net investment in a foreign operation recognised in other comprehensive income shall not be reclassified to income statement on disposal or partial disposal of the foreign operation.

The Company discontinue the hedge accounting if:

a) the hedging instrument expires, is sold or terminated;
b) the hedge no longer meets the criteria for hedge accounting in paragraph 12.16 of FRS 102;
c) in a hedge of a forecast transaction, the forecast transaction is no longer highly probable; or
d) the entity revokes the designation.

If the forecast transaction is no longer expected to take place or if the hedged debt instrument measured at amortised cost is derecognised, any gain or loss on the hedging instrument that was recognised in other comprehensive income shall be reclassified from other comprehensive income to profit and loss account.

r) Related party disclosures

The Company is a wholly-owned subsidiary of PJL Investment B.V. and is included in the consolidated financial statements of PJL Investment B.V., which are publicly available. Consequently, the Company has taken advantage of the exemption, under the terms of section 33.1A of FRS 102 : Related Party Disclosures, from disclosing related party transactions with wholly owned entities that are part of the PJL Investment B.V. Group.

3. Accounting policies (continued)

s) Critical accounting judgements and key sources of estimation uncertainty

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

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

- *Investments*

Investment in subsidiary company is held at cost less accumulated impairment losses

At each reporting end date, the Company reviews the carrying amounts of its investment to determine whether there is any indication that those investments have suffered an impairment loss. If any such indication exists, the recoverable amount of the investment is estimated (investment value in subsidiary less equity) in order to determine the extent of the impairment loss (if any) and recognised immediately in profit or loss.

- *Stocks*

Stocks are stated at the lower of cost and estimated selling price less cost to sell. Stocks are recognised as an expense in the period in which the related turnover is recognised.

Cost included the purchase price, including taxes and duties and transport and handling directly attributable to the bringing the inventory to its present location and condition.

At the end of each reporting period stocks are assessed for impairment. If an item of inventory is impaired, the identified inventory is reduced to its selling price less cost to sell and an impairment charge is recognised in the profit and loss account. Where a reversal of the impairment is required the impairment charge is reversed, up to the original impairment loss , and is recognised as a credit in the profit and loss account.

- *Recovability of intangible assets*

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Where factors or changes in market indicates that the residual value or useful life have changed, the residual value, useful life of amortisations rate are amended prospectively to reflect the new ciscumsntances.

4. Turnover

Turnover represents amounts invoiced in relation to the sale of clothing and accessories. The geographical analysis of turnover by destination is as follows:

	2019 £'000	2018 £'000
United Kingdom	**38,245**	40,947
Rest of World	**68,060**	75,389
	106,305	116,336

The geographical analysis of turnover by source is as follows:

	2019 £'000	2018 £'000
United Kingdom	**106,305**	115,522
Republic of Ireland	**-**	814
	106,305	116,336

The analysis of turnover by sales type is as follows:

	2019 £'000	2018 £'000
Retail	**35,225**	33,585
Wholesale	**71,080**	82,751
	106,305	116,336

5. Operating expenses

	2019 £'000	2018 £'000
Distribution costs	**47,512**	46,849
Administrative expenses	**10,560**	15,191
Exceptoinal items (note 6)	**6,105**	4,156
	64,177	66,196

6. Exceptional items

	2019 £'000	2018 £'000
Provision for diminution in value of investments (note 16)	**4,950**	3,800
Restructuring costs	**93**	220
Retail closures	**758**	-
License termination agreement legal cost	**306**	32
Other	**(2)**	104
	6,105	4,156

Hackett Limited

Notes to the financial statements for the year ended 31 March 2019 (continued)

7. Operating loss

Operating loss is stated after taking account of the following items:

	2019 £'000	2018 £'000
Fees payable to the company's auditors for;		
- the audit of the company's Financial Statements	**54**	58
- fees payable for other services	**15**	27
Amortisation of intangible assets – owned (note 14)	**2,766**	2,795
Depreciation (including impairment) of tangible assets – owned (note 15)	**2,472**	3,500
Operating lease rentals - land and buildings	**10,909**	10,373
Operating lease rentals – other	**10**	19
Loss on disposal of fixed assets	**304**	5
Foreign exchange losses / (gains)	**453**	1,068
Inventory recognised as an expense	**93**	192
Impairment of inventory	**1,174**	1,174

Other operating income includes royalty income and other commission to the value of £1,003,520 (2018: £1,590,675).

8. Directors' emoluments

	2019 £'000	2018 £'000
Aggregate emoluments	**222**	222

The above directors' emoluments relate to only one director and therefore the highest paid director. Retirement benefits were accrued under the group's defined contribution pension scheme in 2019 which amounted to £18,657 (2018: £18,657)

The other two directors of Hackett Limited are remunerated by another entity within the PJL Investments B.V. group. It is not possible to apportion the directors' remunerations for this subsidiary on the basis of the services provided and accordingly no allocation has been made.

Notes to the financial statements for the year ended 31 March 2019 (continued)

9. Employee information

The average monthly number of persons (including executive directors) employed by the Company during the year was:

	2019 No	2018 No
Mgt, Admin and General Services	**22**	20
Commercial and Markeging	**32**	31
Design and Sourcing	**42**	34
Distribution	**6**	7
Retail	**166**	171
	268	263

The staff emoluments were as follows:

	2019 £'000	2018 £'000
Wages and salaries	**10,837**	11,225
Social security costs	**990**	1,012
Other pension costs	**285**	181
	12,112	12,418

10. Interest receivable and similar income

	2019 £'000	2018 £'000
Interest receivable from third party	**490**	4
Interest receivable from group undertakings	**26**	325
	516	329

Notes to the financial statements for the year ended 31 March 2019 (continued)

11. Interest payable and similar expenses

	2019 £'000	2018 £'000
Interest payable to group undertakings	**474**	422
Interest payable to third parties	**744**	921
Bank charges	**162**	168
	1,380	1,511

12 Dividends

No dividends have been paid during the year ending 31 March 2019 (2018: £0).

13. Tax on loss

	2019 £'000	2018 £'000
Current taxation:		
- UK Corporation tax	-	-
- Withholding tax	54	36
	54	36
Deferred taxation:		
- Origination and reversal of timing differences	(13)	(58)
- Adjustment in respect of previous periods	51	(269)
Tax on loss	92	(291)

The tax assessed for the year is higher (2018: higher) than the standard rate of corporation tax in the UK 19% (2018: 19%).

	2019 £'000	2018 £'000
Loss on ordinary activities before taxation	(7,615)	(7,986)
UK Corporation tax at 19% (2018: 19%)	(1,447)	(1,517)
Effects of:		
- expenses not deductible for tax purposes	1,135	970
- capital allowances less than depreciation	-	59
- other temporary differences	(128)	-
- payable under loan relationship	-	193
- deferred taxation	38	(340)
- unrecognised losses	494	344
Total tax charge/(credit)	92	(291)

Factors that may affect future tax changes

The UK corporation tax rate reduced from 20% to 19% from 1 April 2017. Further reductions to the Corporation tax rate were substantively enacted by the government. These reduce the Corporation tax rate to 18% from 1 April 2020. The deferred tax asset at 31 March 2019 has been calculated based on these rates. An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. This will reduce the Company's future current tax charge accordingly.

Hackett Limited

Notes to the financial statements for the year ended 31 March 2019 (continued)

14. Intangible assets

	Commercial Rights	Key Money	Program Applications	Website development cost (Assets Under construction)	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2018	10,856	4,000	2,035	376	16,891
Additions	-	-	149	322	471
Disposals	-	-	(8)	-	(8)
At 31 March 2019	**10,856**	**4,000**	**2,176**	**698**	**17,730**
Accumulated amortisation					
At 1 April 2018	(4,806)	(1,178)	(1,613)	-	(7,597)
Charge for the year	(2,174)	(267)	(325)	-	(2,766)
Disposals	-	-	8	-	8
At 31 March 2019	**(6,980)**	**(1,445)**	**(1,930)**	**-**	**(10,355)**
Net book value					
At 31 March 2018	6,050	2,822	422	376	9,670
Net book value					
At 31 March 2019	**3,876**	**2,555**	**246**	**698**	**7,375**

Notes to the financial statements for the year ended 31 March 2019 (continued)

15. Tangible assets

	Leasehold Improve-ments	Fixtures Fittings and Other Equipment	Computer Equipment	Assets Under Constr uc-tion	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2018	8,803	19,618	1,386	97	29,904
Additions	653	1750	151	(82)	2,472
Disposals	(395)	(208)	(14)	-	(617)
At 31 March 2019	**9,061**	**21,160**	**1,523**	**15**	**31,759**
Accumulated depreciation					
At 1 April 2018	(5,227)	(16,406)	(1,109)	-	(22,742)
Charge for the year	(656)	(1,562)	(178)	-	(2,396)
Disposals	147	154	12	-	313
Impairment charge	329	(408)	3	-	(76)
At 31 March 2019	**(5,407)**	**(18,222)**	**(1,272)**	**-**	**(24,901)**
Net book value					
At 31 March 2018	3,576	3,212	277	97	7,162
Net book value					
At 31 March 2019	**3,654**	**2,938**	**251**	**15**	**6,858**

Notes to the financial statements for the year ended 31 March 2019 (continued)

16. Investments

	2019	2018
	£'000	£'000
Hackett Lim Spain S.L.	**6,525**	6,525
Hackett Asia Ltd	**11,871**	11,871
Hackett Panama S.A.	**2,236**	2,236
Hackett Lim Mexico SRL de CV	**3,745**	3,745
Hackett Sweden AB	**1,404**	1,404
Hackett USA Corp.	**4,775**	4,775
Total cost	**30,556**	30,556
Provision for diminution in value	**(17,365)**	(12,415)
Total investment	**13,191**	18,141

Subsidiaries	**Registered Office**	**Currency**	**Country of Incorporation**	**Ownership**
Hackett Lim Spain, S.L.	Carretera Laura Miro 403-405, 08980 Sant Feliu de Llogregat, Barcelona	EUR	Spain	100%
Hackett Asia, Ltd	2/F, Novel Industrial Building, 850-870 Lai Chi Kok Road, Kowloon, Hong Kong	HKD	Hong Kong	100%
Hackett Panama S.A.	Centro Comercial Multiplaza Apto., Local C2-B-255/ c2-B-256-1, Calle Punta Darien, Urb Punta Pacifica, Corregimiento de Sant Francisco, Distrito de Panama	USD	Panama	100%
Hackett Lim Mexico SRL de CV	Avenida Ejercito Nacional, 843- B, B 3r piso. Colonia Granada, Delegacion Miguel Hidalgo, 11520 Mexico D.F.	MXN	Mexico	99%
Hackett Sweden AB	Dalavägen 5, 683 30 Hagfors, Stockholms Ian, Stockholm Kommun	SEK	Sweden	100%
Hackett USA Corp	1209 Orange Street, City of Wilmington, County of New Castle	USD	United States	100%

During the year the Company recognised £ 0.6 m (2018: £ 1.4m) in Hackett Panama, £ 1.5M (2018: £ 2.4m) in Hackett USA, £ 1.7M in Hackett Asia (2018: nil) and £ 1.150m (2018: £ 0,5m) in Hackett Sweden as an impairment against the carrying value of these investments.

Notes to the financial statements for the year ended 31 March 2019 (continued)

17. Debtors: amounts falling due after more than one year

	2019 £'000	2018 £'000
Rent deposits	**116**	108
Deferred taxation	**850**	985
	966	1,093

The deferred tax position is set out below.

	2019 £'000	2018 £'000
Excess of capital allowance over depreciation	**869**	907
Short-term timing differences	**(19)**	78
	850	985

The extent of recognition of the deferred tax asset reflects the Company's current view of the asset's recoverability. Short-term timing differences that have been provided in the accounts are for known amounts that will occur within twelve months of the balance sheet date related basically to tax losses and hedged amounts.

	2019 £'000	2018 £'000
Opening deferred tax asset	**985**	562
(Charge) / credit for the year in the profit and loss account	**(38)**	327
Deferred tax on hedge	**(97)**	96
Closing deferred tax asset	**850**	985

18. Stocks

	2019 £'000	2018 £'000
Finished goods and goods for resale	**24,981**	24,662

Stocks are stated after provisions for impairment of £1,524,734 (2018: £1,610,801)

19. Debtors: amounts falling due within one year

	2019 £'000	2018 £'000
Trade debtors	**9,454**	12,241
Amounts owed by group undertakings	**2,054**	5,476
Other debtors	**641**	447
Financial Asset – derivative financial instrument	**718**	324
Prepayments and accrued income	**1,944**	2,106
VAT Receivable	**556**	-
	15,367	20,594

Amounts owed by group undertaking are unsecured, interest-free and repayable with 60 days term except for the following loans which are repayable on demand:

Company	**Currency**	**Interest Rate**	**Average for the year**
Hackett S.à.r.l.	EUR	3 months Euribor + ave. Group spread	4.34%
Hackett Asia Ltd	HKD	3 months Hibor + 2,75%	4.67%
Hackett Panama S.A.	USD	3 months Libor + 2,75%	5.22%
Hackett Mexico SRL de CV.	MXN	TIIE 91D + 2,5%	10.71%
Hackett USA Corp.	USD	3 months Libor + ave. Group Spread	6.80%
Hackett Sweden AB	SEK	3 months Stibor + ave. Group Spread	4.34%

Hackett Limited

Notes to the financial statements for the year ended 31 March 2019 (continued)

20. Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
Trade creditors	**11,062**	13,048
Amounts owed to group undertakings	**5,088**	7,421
Financial Liability – derivative financial instrument	**433**	769
Taxation and social security	**263**	528
Other creditors	**9,510**	6,965
Accruals and deferred income	**3,949**	5,076
	30,305	33,807

The amounts owed to group undertakings are unsecured and repayable on demand.

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

	2019 £'000	2018 £'000
Amounts falling due between one and five years		
Intercompany loans	**2,833**	-
Finance Assets Investment	**2,979**	5,960
	5,812	5,960

The amounts owed to group undertakings are unsecured and repayable on demand.

Hackett Limited

Notes to the financial statements for the year ended 31 March 2019 (continued)

22. Financial instruments

- Financial Assets at fair value through profit or loss

	2019	2018
	£'000	£'000
Derivative financial instrument	718	324

- Financial liabilities at fair value through profit or loss

	2019	2018
	£'000	£'000
Derivative financial instrument	433	769

23. Called up share capital

Ordinary shares of £1 each

	2019	2018
Allotted, called up and fully paid	£'000	£'000
At 1st April	48,082	41,082
Issue of shares	-	7,000
At 31st March	48,082	48,082

Hackett Limited

Notes to the financial statements for the year ended 31 March 2019 (continued)

24. Reserves

	Called up Share Capital	Accumulated losses	Other reserves
	£'000	**£'000**	**£'000**
Balance at 1 April 2018	48,082	(2,748)	(313)
Loss for the financial year	-	(7,707)	-
Exchange loss on translation of foreign branch	-	-	-
Cash flow hedges	-	-	491
Deferred tax on cash flow hedges	-	-	(97)
Capital increase	-	-	-
Balance at 31 March 2019	**48,082**	**(10,455)**	**81**

25. Reconciliation of movements in total shareholders' fund

	2019	2018
	£'000	£'000
Loss for the financial year	**(7,707)**	(7,695)
Capital Increase	-	7,000
Hedge operations	**394**	(385)
Exchange loss on translation of foreign branch	-	(5)
Net reduction to total shareholders' funds	**(7,313)**	(1,085)
Opening shareholders' funds	**45,021**	46,106
Closing shareholders' funds	**37,708**	45,021

26. Pension obligations

The stakeholder scheme is the only retirement scheme operated by the Company. The liability at the year end relating to pension contributions to be paid into the scheme was £43,045 (2018: £25,785).

The amount recognised as an expense for the defined contribution scheme was £285,497 (2018: £181,153).

27. Financial commitments

At 31 March, the company had the following capital commitments:

	2019	2018
	£'000	£'000
Future capital expenditure not provided in the financial statements – property, plant and equipment	**7**	83

The company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2019	2018
	£'000	£'000
Payment due:		
- Non later than one year	**7,068**	7,044
- Later than one year and not later than five years	**21,141**	22,531
- Later than five years	**12,172**	15,578
	40,381	45,153

28. Related Party Transactions

The company is a wholly-owned subsidiary of PJL Investments B.V. and is included in the consolidated financial statements of PJL Investments B.V., which are publicly available. Consequently, the Company has taken advantage of the exemption, Related Party Disclosures, from disclosing related party transactions with entities that are part of the PJL Investments B.V. Group

29. Ultimate holding company and controlling party

The Company is wholly owned by Hackett S.à.r.l., a company incorporated in Luxembourg which in turn is owned by Pepe Jeans Europe B.V., a company incorporated in the Netherlands which is in turn is wholly owned by Pepe Jeans, S.L., a company incorporated in Spain, which is in turn is wholly owned by Pepe Jeans Group, S.L. a company incorporated in Spain, which is in turn is wholly owned by PJL Investments B.V. a company incorporated in Netherlands. The directors do not believe there is an ultimate controlling party of the Company.

The Company's results, assets, and liabilities are included in the consolidated financial Statements of PJL Investments B.V. which are publically available. This is the smallest and largest group of undertakings to consolidate these financial statements at 31 March 2019. Copies of the consolidated financial statements of PJL Investments B.V. can be obtained by writing to:

PJL Investments B.V.
Dreef 32 2012HS
Harlem
The Netherlands

30. Post balance sheet events

On 18 July 2019, as part of the refinancing of the Pepe Jeans group, the Company pledged the shares of Hackett Lim Spain, S.L. as security.