

White Stuff Limited

Annual report and financial statements

Registered number 02319237

For the period ended 27 April 2019



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Strategic Report

The directors present their report together with the audited financial statements for the period ended 27 April 2019.

Principal activities, review of business and future developments

Principal activities

The principal activity of the Company is the design and sale of women's, men's and children's clothes, shoes and accessories through retail stores, concessions, online and wholesale channels.

Review of the business

Total sales for the financial period ending 27 April 2019 increased by £2.5m or (1.8%) to £142.1m. The performance reflects the overall UK market conditions of weak consumer confidence driven by the economic impact of Brexit uncertainty.

In line with most retailers, we continue to face a challenging trading environment which has impacted top line sales and overall profitability. Increased investment in digital marketing and higher than planned levels of promotional activity, alongside well-documented increases in costs due to external factors, such as pension auto enrolment have had an adverse impact on profit. During the period, we have focused on managing the short term but at the same time ensuring we make the right decisions for the longer term and transform our business to be fit for the future. We have continued to streamline our cost base and make our cash work harder.

The business has ramped up its investment in digital, with a drive for greater personalisation, together with a focus on an improved customer experience. Throughout the period, the brand expanded its digital footprint in the UK through Next Label.com and in Germany, through stores and online, as it continues to successfully build its multi-channel international business. There has also been an investment in the operating capability, to accelerate global wholesale sales.

We have commenced a business transformation programme with a significant investment in IT systems over the next 3 and a half years to drive process efficiency and the tools to deliver a more customer centric business.

Total shop sales finished the period down £1.4m or (1.6%) on last period to £85.2m. Through the course of the period, White Stuff Limited opened 5 new UK shops, 3 Belgium concessions, closed 3 UK shops and 6 UK concessions. We concluded the period with a total of 124 stores and 32 concessions. We continue to look for store and other new channel opportunities in areas where we feel the brand is under represented.

Web sales continue to perform strongly, up £3.5m or 8% on last period to £47.3m, reflecting a continued investment our new web platform and momentum in the success of our multi-channel strategy. Web sales now represent 33.3% of the total sales compared with 31.4% last period

Wholesale finished the period up £0.4m or 4.3% on last period to £9.6m, including a 24.5% increase in international sales mainly from France, Belgium, Germany and Canada.

Total international sales grew by 29.8% and now represent 4.7% of total sales v 3.7% last period. We have seen good growth online in Germany and continue to invest in our international wholesale business for future growth.

Gross profit at £86.9m was (1%) up on last period. Gross profit percentage at 61.1% was 0.5 percentage points lower than the previous period, reflecting an increased level of promotion during the period.

Total administrative costs were £91.4m (64.3% of turnover) compared to £88.3m (63.2% of turnover) last period. This reflects an increased investment in digital marketing and includes non-recurring costs associated with board changes of £0.7m.

EBITDA ⁽¹⁾ is £3.5m, before charging £0.5m relating to share based payment charges and non-recurring costs associated with board changes; compared to an EBITDA of £5.8m last period and represents a decrease of 40% on last period.

The Company loss after tax for the period was £1.3m (2018: £5.2m).

No dividends were paid by the Company to the shareholders (2018: £nil).

(1) EBITDA being operating profit before interest, tax, depreciation, amortisation of loan costs, loss on disposal of fixed assets, impairment, share based payment charges, FRS102 foreign exchange derivative revaluations and non-recurring costs (refer to page 3).

Strategic Report (continued)

Current trading and outlook

As widely reported, the trading environment through May and June has been challenging. We have set a realistic plan to reflect the current trading climate and we are controlling our costs tightly across all areas of the business to respond to any further deterioration in consumer confidence. We are making good progress with our business transformation program, including an investment in IT development, to drive operational efficiency and adjust our business model to respond to the changing marketplace. We are focused on developing great product ranges together with a deeper understanding of customers and driving more targeted communication on the qualities of product and the strength of the brand. We continue to grow our digital mix through improving our online capability, driving our omni-channel proposition and developing third party relationships. Internationally, we are successfully building our business in Germany and we are improving our operating capability and support to drive wholesale sales more globally.

We remain cautious about the outlook given the uncertainty of the Brexit outcome and we will continue to manage the business tightly, to respond to the market changes, driving growth online and internationally.

Cash flows and balance sheet

The business finished the period with a net cash position of £4.3m compared to last period's net cash position of £4.7m. Cash outflows included £4.8m on capital expenditure, including £2.1m on new stores and modifications, and £2.7m on IT and infrastructure.

The business has a Revolving Credit Facility of £15m which is secured until 31 August 2022. All banking facility covenants have been complied with and at the period end the business had unutilised working capital facilities of £9m (2018: £12.5m).

The net assets of the business closed at £35.2m versus £36.5m last period, reflecting principally the increase in retained earnings of £1.3m.

People

White Stuff's vision; to be better, to be different, to be original; relies on the passion and commitment of our people and they are at the heart of the brand. Attraction, recruitment, onboarding, learning and development all form an important part of our people strategy. The engagement and commitment of our shops, distribution centre and head office teams is fundamental to our success.

This period has seen a number of changes within the Executive Leadership team as CEO, Jo Jenkins, brought in fresh talent and formed a leaner and more future focused top team. This includes the Merchandising Director, the Buying & Design Director, a new role of Programme Director, overseeing the implementation of a new ERP system and replacing the IT Director, a new role of Customer Director replacing the Marketing Director and the introduction of a new role of Multi-Channel Director in October 2019, replacing the Retail Director and International Director. These new Directors come with a wealth of experience and will bring new focus, ideas and direction for White Stuff in the current retail environment.

Principal risks and uncertainties

The directors recognise that the Company faces a number of business risks and uncertainties. The directors have established a structured approach to identify, assess and manage these risks and to embed this approach into the daily operations of the business. This is regularly monitored and reviewed by the Board. The principal risks assessed as part of this process include risks to competitive position, brand reputation, technology, people, business operations and the underlying economy.

One of the principal risks faced by the Company is one created if the product offering declines in popularity, leading to reduced revenues, margins and cash flow. The Company is also dependant on the ability of its suppliers to manufacture its products to the desired quality and standards and on its logistics providers to ensure it reaches the required location on a timely basis. These risks are managed by operating a buying and merchandising model which focuses on generating desirable products, short lead times and low stock levels. The supply chain standards, arrangements and contingency plans are under constant review by management.

The Company's banking facility agreement includes fixed and floating charges over all the Company's assets and undertakings under a debenture granted to secure the banking facilities. Certain financial covenant requirements are in place under the banking facility agreements. The Company controls this risk by routinely monitoring actual and projected financial performance against those covenants and reporting performance to the bank on a quarterly basis.

The Company is reliant on production from overseas and is therefore exposed to foreign exchange risk arising from currency fluctuations. The Company will maintain its policy of sourcing the right product from the right country to ensure consistent quality and attention to detail. The Company's forward currency purchasing policies cover all major currencies up to 24 months ahead of purchase for costs of goods sold and the directors are satisfied that these policies will safeguard its budgeted exchange rates for the remainder of the current financial period.

The uncertainty of Brexit is adding administrative complexity and will, in the event of a no deal Brexit, add additional cost and delay to the operations of the business. It is currently adding volatility to the value of sterling and is impacting consumer confidence in the UK high street.

Strategic Report (continued)

The Group has undertaken a detailed analysis of the risks and operational challenges to the business, in particular concerning; people, foreign exchange and the import and export implications and has implemented a detailed mitigation plan to minimise the potential impact on the business. Where appropriate the business has provided for the impact of a No Deal Brexit in its future plans.

Imports from the EU and Turkey do not represent a material amount of our total imports, however where appropriate we are looking to source from more favourable countries of origin. The business is expanding internationally in a number of countries outside the EU, however sales into Europe represent an important part of future growth and therefore plans have been put in place to minimise disruption to current and future customers in the event of a no deal Brexit.

Foreign exchange risk has been explained in the paragraph above, however it is worth noting that Euro exposure is largely covered by a natural hedge on imports and exports.

The business has established a Brexit team who meet regularly to review the potential impact on the business and are in regular contact with advisors and logistics partners to ensure all plans are flexed to changes in the market and to the information available.

Key performance indicators

The directors have determined that the following KPIs are the most appropriate for an understanding of the development, performance and position of the Company:

	2019 52 weeks ended	2018 52 weeks ended
Turnover by channel	£142.1m	£139.6m
<i>Shop</i>	£85.2m	£86.6m
<i>Web</i>	£47.3m	£43.8m
<i>Wholesale</i>	£9.6m	£9.2m
Turnover by geographical market as a % of turnover		
<i>United Kingdom</i>	95.3%	96.3%
<i>Rest of Europe</i>	4.0%	3.1%
<i>Other</i>	0.7%	0.6%
EBITDA	1 £3.5m	£5.8m
EBITDA as a % of turnover	2.4%	4.2%
Shop numbers	2 156	158
<i>Solus shops</i>	124	122
<i>Concessions</i>	32	36

1. EBITDA is operating profit/(loss) before interest, tax, depreciation, amortisation of loan costs, loss on disposal of fixed assets, impairment, share based payment charges, foreign exchange derivative revaluations and non-recurring costs (refer to below).

EBITDA calculation:

	£'000	£'000
(Loss) for the period	(1,332)	(5,236)
Adjustments for:		
Interest and similar expenses	83	83
Foreign exchange (gain)/loss on derivatives	(3,132)	3,832
Amortisation of loan costs	55	90
Loss/(Gain) on disposal of tangible fixed assets	110	69
Impairment loss on tangible fixed assets	493	-
Depreciation on tangible fixed assets	5,920	6,125
Amortisation of intangible fixed assets	782	125
Share based payment (credit)/charge	(150)	47
Non-recurring costs associated with board changes	699	1,394
Tax on loss	(70)	(762)
EBITDA	3,458	5,767

Strategic Report (continued)

2. Number of new and closed shops at period end (excludes online concession).

New solus shops *	5	3
Closed solus shops *	(3)	(4)
New concessions	3	-
Closed concessions	(6)	(7)
Transferred concessions to subsidiary	-	(10)
Net shops and concessions	(1)	(18)

Re-sites

-	1
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* 2018 include a re-site opening and re-site closure at the same location.

By order of the board



J V Jenkins
Director

Canterbury Court
Kennington Park
1-3 Brixton Road
London
SW9 6DE

25 July 2019

Directors' Report

Results and dividends

The profit and loss account is set out on page 12 and shows the results for the period. The Company prepares accounts to the nearest Saturday to 30 April each period. The current period relates to the 52 week period ended 27 April 2019 and the comparative period to the 52 week period ended 28 April 2018.

No interim or period end dividend was declared or paid (2018: £nil).

Corporate social responsibility

The White Stuff family includes people in our shops, our distribution centre, our head office, and extends to our customers, our suppliers, our charities and our local communities.

Charitable activities

White Stuff donates at least 1% of its profits to the White Stuff Foundation in each financial period and is proud to support small, local charities wherever we are. Each of our shops, our head office and our distribution centre have a small local charity partner, chosen by our employees, who work to improve the wellbeing and welfare of the local community. This means we now proudly support over 130 such charities throughout the United Kingdom and in Germany.

Our employees are encouraged to forge links with their charity partners and we are constantly surprised and delighted with the range of fundraising activities that our employees undertake to support their local charity. We are also proud to share our skills where a need has been identified and this period are particularly proud to have supported our head office charity in developing their IT infrastructure and management skills through collaboration with our IT and People teams.

In addition to the core 1% donation made each period, we also sell a number of charity products in our shops such as the sale of our charity Christmas jumpers which saw all profits donated to our local charity partners, as well as other fundraising activities such as our in-shop sweet shops, carrier bag donations and other local fundraising activities. Profits from our Made for bags are used to fund the education of the children of the factory workers who made the bags. During the period under review we raised enough to provide funding for over 270 scholarships.

Each of our employees can take two paid volunteering days in the period. We also have a "Community Chest" programme where our employees are encouraged to apply for specific grants of between £200 and £2,000 to help a small local charity or community initiative that they care about. During the period under review, this scheme provided funding for a range of local community initiatives including a period poverty programme in South London, the provision of a mural in a children's hospice, the purchase of bikes for an outdoor activity charity, and the provision of gardening equipment for a charity that supports people suffering from mental health challenges.

By embedding charitable fundraising, volunteering and engagement into the core of our activities, White Stuff is proud to provide ongoing support to benefit the local communities where our shops are based and where our employees live and work.

Employee Engagement and Development

Ensuring our people are engaged is integral at White Stuff. Continuous improvement is something we strive for and we monitor our progress to determine our success.

This period has seen the introduction of a comprehensive schedule of listening groups with all levels of the business directly with the CEO and People Director, which are now a permanent fixture and have led to an increased culture of transparency and authenticity. These listening groups have given us fresh insights into the needs of the business and have formed the backbone of some of the strategic decision making. In addition, a new internal, confidential Q&A portal called 'Opendoor' allows colleagues from every part of the business to raise questions in confidence and have them answered with all responses published. These new activities layer on top of an already existing comprehensive employee engagement structure of monthly 'Family Gathering's' in our head office and distribution centre where we update and review business priorities, period 'PULSE' surveys, team meetings, weekly huddles and new starter inductions. The "Tea Room" our internal intranet is an effective communication tool that connects all areas of the business.

Our learning and development strategy offers all employees the opportunity to develop in their roles at White Stuff from our shop teams who have a 'Customer Host' development programme to our departments in head office and the distribution centre. Employee development is individually tailored through feedback sessions, twice yearly performance reviews and development plans.

Our apprenticeship scheme continued from the success of last period in our head office and distribution centre, where individuals have the opportunity to receive specialist training and support on an extensive programme. A retail programme will be launched in the future.

Directors' Report (*continued*)

We continue to operate an excellent in-house recruitment team, reducing the need for search agencies and capable of bringing talent at all levels into the business. This period has also seen the People Team strengthen our support for International staff and Retail staff by bringing in a German-speaking HR specialist, as well as a number of new team members with strong retail backgrounds.

We undertook our annual pay review in the Spring, ensuring competitive benchmarks against relevant industries and compliance with the National Minimum Wage (with an ambition to get closer to the Living Wage Foundation recommendations for appropriate retail roles). We also published our Gender Pay statistics and had a comprehensive review of our Data Privacy compliance. All head office and distribution centre departments participate in an annual bonus scheme based on company profit. Shop colleagues participate in a monthly commission scheme.

Employees with Disabilities

Applications for employment by persons with disabilities are always fully and fairly considered, focusing on the aptitudes and abilities of the applicant concerned. In the event of an employee becoming disabled during their employment, every effort is made to ensure that their employment with the Company continues and that where appropriate reasonable adjustments are made and relevant training and education of the wider team is arranged. It is the policy of the Company that the training, career development and promotion of persons with disabilities should, as far as possible, be identical with that of other employees.

Suppliers

All product suppliers who join the White Stuff family must sign up to our Ethical Code of Conduct before we do business with them. Our code covers all aspects of Health and Safety and Labour and Wages which is based on eight principles:

- General principle
- Non discrimination
- Forced labour
- Child labour
- Wages and hours
- Working conditions
- Environment
- Freedom of association

Each of our factories must demonstrate compliance to our code when requested through our audit programme. All of our clothing, footwear and accessories factories continue to be ethically audited by our own dedicated audit team to ensure they comply with our code of conduct.

White Stuff are full members of the Ethical Trading Initiative ("ETI"), made up of retailers, non-governmental organisations and unions. The ETI is a way for these organisations to come together and share learnings, join projects and work closely on supply chain initiatives that can bring changes and improvements for workers in the factories that make our product. We are currently 'Improver' status and have submitted our fifth annual report to the ETI in July 2019.

In October 2018, in line with UK legislation, we published our third Modern Slavery Statement which explains the steps we have taken so far to address this issue across our business. In November 2018, in India, we launched a training programme to train six of our suppliers' compliance teams how to ethically audit their own suppliers. This means we are now checking and making continual improvements in conditions in second tier factories which include: spinners, weavers, printers and dyers. We are continuing this training, monitoring progress, and will award accreditations to those compliance teams who reach a high standard.

We have made a commitment to have 100% sustainably sourced cotton by 2024 and we have partnered with Fairtrade and three suppliers who are helping us deliver the programme.

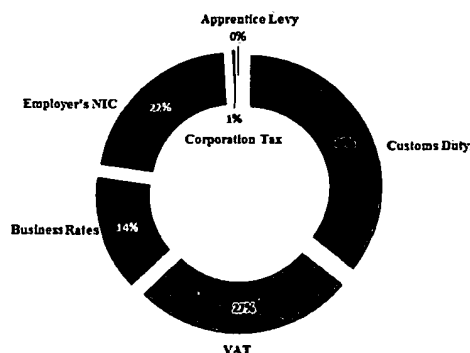
Directors' Report (continued)

Contributing to the Tax System

The Company believes that paying taxes arising from our activities is an important part of how the business contributes to societies in which it operates. This period the Company has paid a total £37.4m (2018: £33.7m).

Taxes paid by the Company:

£m	Total	UK	International
Customs Duty	13.0	13.0	-
VAT	10.0	9.3	0.7
Business Rates	5.3	5.3	-
Employer's NICs	7.9	7.8	0.0
Corporation Tax	0.3	0.3	-
Apprenticeship Levy	0.1	0.1	-
	36.5	35.8	0.7



Charitable contributions

In the period under review, we are proud that White Stuff, its customers and its employees generated charitable donations of £0.5m (2018: £0.5m) for local charities through the White Stuff Foundation. Since the establishment of the White Stuff Foundation in 2010, White Stuff has donated over £3.5m to charitable causes, including £3.3m to the Foundation.

Political donations

The Company made £nil (2018: £nil) political donations during the period.

Other information

An indication of likely future developments in the business, financial risk management disclosure and information on key financial risks have been included in the Strategic Report on pages 1 - 4.

Directors

The directors of the Company during the period were:

A D M Hewitt MBE (*Chairman*)
J V Jenkins (*appointed 9 April 2018*)
N C H Mather
G T Treves
S G Thomas
M D Newman (*resigned 31 December 2018*)
V M L Gwilliam

Disclosure of information to auditors


The directors who held office at the date of approval of this directors' report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and the directors have taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Directors' Report *(continued)*

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



J V Jenkins
Director

Canterbury Court
Kennington Park
1-3 Brixton Road
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SW9 6DE

25 July 2019

Statement of Directors' responsibilities in respect of the Annual Report and the Financial Statements

The directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the members of White Stuff Limited

Opinion

We have audited the financial statements of White Stuff Limited ("the company") for the 52 week period ended 27 April 2019 which comprise the Profit and Loss Account and other Comprehensive Income, Balance Sheet, and Statement of Changes in Equity and related notes, including the accounting policies in note 1. In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 27 April 2019 and of its loss for the period then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as recoverability of store assets, inventories and receivables and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial period is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Independent Auditor's Report to the members of White Stuff Limited (continued)

Directors' responsibilities

As explained more fully in their statement set out on page 9, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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



Aimie Keki (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Altius House
One N Fourth St
Milton Keynes
MK9 1NE

29 July 2019

Profit and Loss Account and Other Comprehensive Income
for the period ended 27 April 2019

	<i>Note</i>	52 weeks ended 27 April 2019 £'000	52 weeks ended 28 April 2018 £'000
Turnover	2	142,131	139,611
Cost of sales		(55,244)	(53,547)
Gross profit		86,887	86,064
Administrative expenses		(91,411)	(88,251)
Other operating income		73	104
Operating loss	3	(4,451)	(2,083)
Interest receivable and similar income	6	3,132	20
Interest payable and similar expenses	7	(83)	(3,935)
Loss before taxation		(1,402)	(5,998)
Tax on loss	8	70	762
Loss for the period		(1,332)	(5,236)
Other comprehensive income for the period, net of income tax		-	-
Total comprehensive loss for the period		(1,332)	(5,236)

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior period are included in the profit and loss account.

The notes on pages 15 to 27 form part of these financial statements.

Balance Sheet
at 27 April 2019

	Note	27 April 2019	28 April 2018
		£'000	£'000
Fixed assets			
Intangible assets	9	5,905	4,265
Tangible assets	10	10,660	14,833
Investment	11	22	22
		<u>16,587</u>	<u>19,120</u>
Current assets			
Stocks	12	17,499	19,685
Debtors (including £1,084k (2018: £1,160k) due after more than one period)	13	20,597	18,678
Cash at bank and in hand		10,312	7,192
		<u>48,408</u>	<u>45,555</u>
Creditors: amounts falling due within one period	14	<u>(29,086)</u>	<u>(27,488)</u>
Net current assets		<u>19,322</u>	<u>18,067</u>
Total assets less current liabilities		<u>35,909</u>	<u>37,187</u>
Provisions for liabilities and expenses	16	<u>(709)</u>	<u>(655)</u>
Net assets		<u>35,200</u>	<u>36,532</u>
Capital and reserves			
Called up share capital	18	4	4
Share premium account		2,013	2,013
Profit and loss account		33,183	34,515
Shareholders' funds		<u>35,200</u>	<u>36,532</u>

The notes on pages 15 to 27 form part of these financial statements.

These financial statements were approved by the board on 25 July 2019 and were signed on its behalf by:



J V Jenkins
Director

Statement of Changes in Equity
at 27 April 2019

	Called up Share capital £'000	Share Premium account £'000	Profit and loss account £'000	Total equity £'000
Balance at 29 April 2017	4	2,013	39,751	41,768
Loss	-	-	(5,236)	(5,236)
Balance at 28 April 2018	4	2,013	34,515	36,532
Loss	-	-	(1,332)	(1,332)
Total comprehensive loss for the period	-	-	-	-
Balance at 27 April 2019	4	2,013	33,183	35,200

The notes on pages 15 to 27 form part of these financial statements.

Notes

1 Accounting policies

White Stuff Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

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

The Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's ultimate parent undertaking, White Stuff Group Limited includes the Company in its consolidated financial statements. The consolidated financial statements of White Stuff Group Limited are available to the public and may be obtained from Canterbury Court, Kennington Park, 1-3 Brixton Road, London, SW9 6DE. In these financial statements, the company is considered to be a qualifying entity and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes

As the consolidated financial statements of White Stuff Group Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 *Share Based Payments*; and,
- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Going Concern

On 7 March 2018, the Company entered into a new £15m Revolving Credit Facility. The terms of the agreement include quarterly testing of various financial covenants.

Projected cash flow information for the Company has been prepared for the period ending 15 months from the approval of these financial statements. The directors have tested the impact of variations from the projections by assessing the adequacy of the funds and the ability to operate within the financial covenants, under a combination of different scenarios constructed to reflect reasonable possible downside risks to the assumptions within the projections. This shows the Company is capable of operating within the facilities and meeting the financial covenant tests.

Having considered the basis of preparation and the assumptions underlying the Company's cash flow projections, the directors have a reasonable expectation that the Company will be able to meet its liabilities as they fall due for the foreseeable future. It is on this basis that the directors consider it appropriate to prepare the financial statements on a going concern basis.

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales. Turnover from the sale of goods is recognised when the goods are physically dispatched to the customer. Turnover is recognised at the fair value of consideration recoverable and turnover is adjusted for estimated sales returns post period end.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Notes (continued)

1 Accounting policies (continued)

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, except for investment properties and freehold land, evenly over their expected useful lives. It is calculated at the following rates:

Land and buildings – leasehold	- Straight line over the life of the lease
Plant, machinery, fixtures and fittings	- 20% straight line
Motor vehicles	- 25% reducing balance
Office equipment	- 20% straight line
Computer equipment	- 20% to 33% straight line
Intangible software development	- 20% to 33% straight line

Investments in subsidiary

These are separate financial statements of the company. Investments in subsidiaries are carried at cost less impairment.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the weighted average cost of purchases. Net realisable value is based on estimated selling price less additional costs for disposal.

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

Derivative financial instruments

Derivative financial instruments are recognised at fair value. The gain or loss on measurement to fair value is recognised immediately in profit or loss.

Impairment

The carrying amounts of the Company's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its income-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account.

The recoverable amount of fixed assets is the greater of their net realisable value and value in use. In assessing value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Foreign currency

Foreign currency transactions are translated at the rate of exchange at the date of the transaction or, when hedged, at the forward contract rate. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences on retranslation are taken to the profit and loss account.

Pre-opening costs

Pre-opening costs are revenue costs, normally consisting of store staff salaries, occupancy costs and related costs prior to the commencement of trade at new shops. These are expensed in the period in which they are incurred.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Notes (continued)

1 Accounting policies (continued)

Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax, including UK and foreign tax, is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax balances are recognised, without discounting, in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the Company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Interest receivable and Interest payable

Interest payable and similar charges include interest payable net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Other interest receivable and similar income include interest receivable on cash and cash equivalents and net foreign exchange gains. Foreign currency gains and losses are reported on a net basis.

Interest bearing borrowings

Immediately after issue debt is stated at the fair value of the consideration received on the issue of the capital instrument after deduction of issue costs. The issue costs directly associated with the arrangement of loan facilities are offset against the carrying value of the loans and amortised over the period of repayment of the respective loans.

Leased assets

All leases held are operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

Lease premiums and similar incentives received to enter into operating lease agreements are released to the profit and loss account over the life of the lease.

Pension costs

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in a separately administered fund.

Contributions to the Company's defined contribution pension scheme are charged to the profit and loss account in the period in which they become payable.

Share-based payments

When share incentives are awarded to employees, the fair value of the incentive at the date of grant is charged to the income statement over the vesting period where the total charge is material. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the incentive granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The Company is part of a group share-based payment plan, it recognises and measures its share-based payment expense on the basis of a reasonable allocation of the expense recognised for the group. White Stuff Limited bears the entire White Stuff Group Limited expense as all employees in the scheme are employed by White Stuff Limited.

Company has elected to account for forfeitures as truing up of the cumulative expense.

Notes (continued)

1 Accounting policies (continued)

Accounting estimates and judgments

Estimates and judgements are continually evaluated and are based on historical experience and other relevant factors, including management's reasonable expectations of future events. The preparation of the financial statements requires management to make significant accounting estimates and judgements concerning the future. The resulting accounting estimates will, by definition, be likely to differ from the related actual results. The estimates and judgements that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment:

Carrying amount of tangible fixed assets for stores are identified for further impairment testing primarily on the basis of current and projected performance, with growth assumptions based on Directors' knowledge and experience. Given the relative immaturity of the brand outside the UK, the payback period is typically longer and it is not uncommon for new stores to make losses in their start-up phase. Judgment is therefore applied by the Directors in assessing the trigger point for impairment, recognising that losses in the start-up phase are not always indicative of the future performance of a particular store. The Directors have used forecast models and an appropriate pre-tax adjusted weighted average cost of capital in its tangible fixed assets impairment calculations. Management considered the sensitivity of the proposed impairment charges to movements in key assumptions such as the discount rate (based on pre-tax weighted average cost of capital), long-term growth rate, performance projections, grace periods for new stores or new International regions and the wider economic environment. Should the grace period be reduced by any margin, there would be an additional impairment recognised on store fixed assets. Management satisfied itself that the assumptions used and the resulting impairment charges were reasonable.

Inventory Valuation:

The Directors have used their knowledge and experience of the retail industry in determining the level and rates of provisioning required to calculate the appropriate inventory carrying values. Inventory is carried in the financial statements at the lower of cost and net realisable value. Sales in retail can be volatile with consumer demand changing based on current trends. As a result there is a risk that the cost of inventory exceeds its net realisable value. Management calculates the inventory provision on the basis of the ageing profile of what is in stock. Adjustments are made where appropriate based on Directors' knowledge and experience to calculate the appropriate inventory carrying values. Management reviewed the methodology and key assumptions used in determining the inventory obsolescence provision, such as inventory cost, season (Autumn Winter, Spring Summer) and year of the inventory balance, forecast terminal inventory balance and any specific slow moving or defective product lines, as well as the sensitivity of these assumptions when reviewing the appropriateness of the provision. Management are satisfied that the assumptions used and the year end provision were reasonable.

Useful life of Assets:

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, evenly over their expected useful lives. The expected useful life of assets is periodically reviewed for any indications that the assets are in use for a longer or shorter period than the applied depreciation rates as stated in Note 1. Determining an asset's residual value and estimated useful life involves significant judgement, particularly in IT systems and software such as our website. Management satisfied itself that the residual values and useful economic lives are appropriate, considering the sensitivity of changes in residual value on depreciation.

Sales Returns:

The Company sells retail products with the right of return and experience is used to estimate and provide for the value of such returns. Management reviewed the methodology and key assumptions used in determining the sales returns provision, such as our returns policy of 30 days, actual sales, actual returns % for both shops and web, and the past utilisation of the provision, as well as the sensitivity of these assumptions when reviewing the appropriateness of the provision. Management are satisfied that the assumptions used and the year end provision were reasonable.

Non-recurring items:

Non-recurring items are those where, in management's opinion, their separate reporting provides a better understanding of the underlying business performance, and which are significant by virtue of their size and nature. Management's assessment the specific circumstances which have led to the item arising and the likelihood of recurrence. Non-recurring items are included within the Profit and Loss account and only split out for the purposes of EBITDA.

Notes (continued)

2 Analysis of turnover

	52 weeks ended 27 April 2019 £'000	52 weeks ended 28 April 2018 £'000
<i>Analysis by geographical market</i>		
United Kingdom	135,453	134,468
Rest of Europe	5,662	4,305
Other	1,016	838
	<u>142,131</u>	<u>139,611</u>

Turnover arises from the sale of clothes, shoes and accessories through retail, online and wholesale channels.

3 Operating loss

Operating loss is stated after charging:

	52 weeks ended 27 April 2019 £'000	52 weeks ended 28 April 2018 £'000
Amortisation of loan costs	55	90
Depreciation and other amounts written off tangible fixed assets	5,920	6,125
Amortisation and other amounts written off intangible fixed assets	782	125
Impairment loss on tangible fixed assets	493	-
Hire of other assets - operating leases	11,683	11,842
Loss/(Gain) on disposal of tangible fixed assets	110	69
Auditor remuneration		
- Audit fees of financial statements	65	54
- Other service in relation to National Minimum Wage and pension review	6	15
	<u></u>	<u></u>

4 Remuneration of directors

	52 weeks ended 27 April 2019 £'000	52 weeks ended 28 April 2018 £'000
Directors' remuneration	924	1,165
Compensation for loss of office	-	306
Contributions to defined contribution pension scheme	18	10
	<u></u>	<u></u>
Total directors' emoluments	942	1,481

The total amount payable to the highest paid director in respect of emoluments was £422k (2018: £504k), including pension contributions of £8k (2018: £nil). The number of directors to whom pensions are accruing at the end of the period is two (2018: one).

Notes (continued)

5 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the period, analysed by category, was as follows:

	52 weeks ended 27 April 2019	52 weeks ended 28 April 2018
Head office	287	283
Warehouse	78	74
Retail shops	1,560	1,595
	<u>1,925</u>	<u>1,952</u>

The aggregate payroll costs of these persons were as follows:

	52 weeks ended 27 April 2019 £'000	52 weeks ended 28 April 2018 £'000
Wages and salaries	31,655	31,581
Social security costs	2,141	2,160
Pension costs	770	563
	<u>34,566</u>	<u>34,303</u>

White Stuff Group Limited operates an Unapproved Share Option Scheme. The total share based payment credit for the period ended 27 April 2019 was £(150)k (2018: £47k charge) which relates to options granted to employees over shares in the parent company White Stuff Group Limited. Disclosures relating to Share Based Payments are in the White Stuff Group Limited accounts.

6 Interest receivable and similar income

	52 weeks ended 27 April 2019 £'000	52 weeks ended 28 April 2018 £'000
Bank interest	41	20
Foreign exchange gains on derivatives	3,091	-
	<u>3,132</u>	<u>20</u>

7 Interest payable and similar expenses

	52 weeks ended 27 April 2019 £'000	52 weeks ended 28 April 2018 £'000
Bank interest	83	103
Foreign exchange losses on derivatives	-	3,832
	<u>83</u>	<u>3,935</u>

Notes (continued)

8 Taxation

Analysis of charge in period

	52 weeks ended 27 April 2019 £'000	52 weeks ended 28 April 2018 £'000
<i>UK corporation tax</i>		
UK corporation tax on losses for the period	(121)	222
Adjustments in respect of previous periods	(28)	52
Foreign tax suffered	3	-
Total current tax	(146)	274
<i>Deferred tax (note 17)</i>		
Origination and reversal of timing differences	54	(1,105)
Adjustments in respect of previous periods	28	(47)
Effect of changes in tax rates	(6)	116
Total deferred tax	76	(1,036)
Total tax per income statement	(70)	(762)

Factors affecting the tax charge for the current period

The current tax charge for the period is higher (2018: higher) than the standard rate of corporation tax in the UK. The average rate is 19.00% in 2018 (2018: 19.00%). The differences are explained below.

	52 weeks ended 27 April 2019 £'000	52 weeks ended 28 April 2018 £'000
<i>Charge for the period can be reconciled to the loss per the profit and loss statement as follows:</i>		
Loss before taxation	(1,402)	(5,998)
Current tax at 19.00% (2018: 19.00%)	(266)	(1,139)
<i>Effects of:</i>		
Expenses not deductible	227	256
Unrecognised deferred tax	(28)	-
Effect of overseas tax rates	3	-
Adjustments to tax charge in respect of previous periods	-	5
Tax rate changes	(6)	116
Tax charge for the period	(70)	(762)

In the 2015 Summer Budget the Chancellor announced a reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and 18% (effective from 1 April 2020) and these rates were substantively enacted on 26 October 2015. In the 2016 Budget the Chancellor announced a further reduction in the UK corporation tax rate to 17% from 1 April 2020. This will reduce the Company's future current tax charge accordingly. The UK deferred tax asset at 27 April 2019 has been calculated based on the corporation tax rate that is expected to apply when the asset is settled.

Notes (continued)

9 Intangible fixed assets

	Software Development Costs £'000
<i>Cost</i>	
At 28 April 2018	4,390
Additions	2,422
At 27 April 2019	6,812
<i>Amortisation</i>	
At 28 April 2018	(125)
Charge in the period	(782)
At 27 April 2019	(907)
<i>Net Book Value</i>	
At 27 April 2019	5,905
At 28 April 2018	4,265

10 Tangible fixed assets

	Land and buildings leasehold £'000	Plant, machinery, fixtures and fittings £'000	Motor vehicles £'000	Computer equipment £'000	Total £'000
<i>Cost</i>					
At 28 April 2018	14,461	29,483	70	13,445	57,459
Additions	296	1,787	-	268	2,351
Disposals *	(1,637)	(3,269)	-	(2,510)	(7,416)
At 27 April 2019	13,120	28,001	70	11,203	52,394
<i>Accumulated Depreciation</i>					
At 28 April 2018	(12,265)	(19,599)	(57)	(10,705)	(42,626)
Charge for period	(1,013)	(3,457)	(5)	(1,445)	(5,920)
On disposals *	1,542	3,254	-	2,509	7,305
Impairment losses	-	(493)	-	-	(493)
At 27 April 2019	(11,736)	(20,295)	(62)	(9,641)	(41,734)
<i>Net book value</i>					
At 27 April 2019	1,383	7,706	8	1,563	10,660
At 28 April 2018	2,196	9,884	13	2,740	14,833

* Disposals include a write off of fully written down assets (£6.8m) with a £nil NBV, which are no longer in the business following a management review.

Notes (continued)

10 Tangible fixed assets (continued)

The carrying amount of tangible fixed assets on the balance sheet are dependent on the estimates of future profits and cash flows arising from the Company's operations. The key assumptions for the value used in calculating any impairment loss are regarding expected growth rates to individual stores during the period and discount rates applied to the forecast cash flows. Management estimates discount rates using a pre-tax discount rate based on the weighted average cost of capital for the Company. Sales and cost growth rates are based on the managements' best estimate of future business performance over a period of three years (perpetuity for years beyond three years). As a result, an impairment loss of £493k was recognised for the period ended 27 April 2019 (2018: £nil).

11 Fixed asset investments

	Investment in subsidiary £'000
<i>Cost</i>	
At 28 April 2018	22
Additions	-
	<hr/>
At end of period	22
	<hr/>
<i>Net book value</i>	
At 27 April 2019	22
	<hr/>
At 28 April 2018	22
	<hr/>

No impairment loss was recognised in the period (2018: £nil).

Subsidiary and associated undertaking	Country of incorporation	Registered office address	Principle activity	Class and percentage of shares held
White Stuff (Germany) GmbH	Germany	Brienner Straße 12 c/o Heisse Kursawe Eversheds 80333 München Germany	Retailer of women's and men's clothing and accessories.	100% ordinary shares

12 Stock

	52 weeks ended 27 April 2019 £'000	52 weeks ended 28 April 2018 £'000
Finished goods and goods for resale	17,499	19,685
	<hr/>	<hr/>

There is no material difference between the replacement cost of stocks and the amounts stated above. Finished goods and goods for resale recognised as cost of sales in the period for the Company amounted to £53.3m (2018: £51.8m).

Notes (continued)

13 Debtors

	52 weeks ended 27 April 2019 £'000	52 weeks ended 28 April 2018 £'000
Trade debtors	3,317	2,094
Amounts owed by parent company and subsidiary	12,594	13,161
Prepayments	1,987	1,997
Deferred tax asset	1,084	1,160
Corporation Tax	153	-
Other debtors	158	266
Derivative asset	1,304	-
	<u>20,597</u>	<u>18,678</u>

Debtors include a deferred tax asset of £1,084k (2018: £1,160k) due after more than one year.

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

As at 28 April 2018, there was a Derivative liability of £1,787k relating to the fair value of forward exchange contracts as shown in Note 14.

14 Creditors: amounts falling due within one year

	52 weeks ended 27 April 2019 £'000	52 weeks ended 28 April 2018 £'000
Trade creditors	7,973	6,055
Accruals and deferred income	12,820	13,877
Corporation tax	-	246
Other taxation and social security	801	1,164
Bank loans and overdraft	6,000	2,500
Other creditors	1,492	1,859
Derivative liability	-	1,787
	<u>29,086</u>	<u>27,488</u>

15 Borrowings

The Company has a Revolving Credit Facility of £15.0m, which is secured until 31 August 2022. £6.0m was drawn down at the period end 27 April 2019 (28 April 2018: £2.5m). The £6m loan drawdown was fully repaid in June (£4.0m) and July 2019 (£2.0m) (2018: £2.5m repaid in May 2018).

Notes (continued)

16 Provisions for liabilities and expenses

	Property provision £'000	Other provisions £'000	Total £'000
At 28 April 2018	595	60	655
Utilised during the period	(67)	-	(67)
Charge to the profit and loss account Additional amounts provided	121	-	121
28 April 2018	649	60	709

The property provision is for landlord repairs and dilapidations to be utilised over the next 24 months. Other provisions comprise a number of liabilities with varying expected utilisation rates.

17 Deferred Tax

The deferred tax asset relates to the following:

	52 weeks ended 27 April 2019 £'000	52 weeks ended 28 April 2018 £'000
Fixed asset timing difference	1,260	823
Short term timing differences - trading	(176)	337
Deferred tax asset	1,084	1,160

Deferred tax has been calculated at the tax rates expected to apply in periods in which timing differences reverse, based on tax rates and laws enacted at the balance sheet date.

There is an unrecognised deferred tax asset of £101k (2018: £119k) relating to employee share schemes.

Notes (continued)

18 Called up share capital of the Company

	52 weeks ended 27 April 2019 £	52 weeks ended 28 April 2018 £
<i>Allotted and called up</i>		
3,830 Ordinary shares of £1 each (2018: 3,830)	3,830	3,830

At 27 April 2019, all Ordinary shares of £1 each were allotted, called up and fully paid. (2018: all Ordinary shares of £1 each were allotted called up and fully paid).

19 Commitments

a) Capital commitments at the end of the financial period for which no provision has been made, are as follows:

	52 weeks ended 27 April 2019 £'000	52 weeks ended 28 April 2018 £'000
Contracted but not provided for	317	382

b) Annual commitments under non-cancellable operating leases are as follows:

	Land and buildings 27 April 2019 £'000	Land and buildings 28 April 2018 £'000
Other operating leases expiring:		
- within one year	851	674
- in two to five years	14,414	10,782
- after five years	45,947	51,056
	61,212	62,512

Total operating leases charges through the profit and loss during 2019 amounts to £12,418k (2018: £12,284k).

20 Pension scheme

The Company has operated a defined contribution pension scheme open to qualifying employees since May 2010. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension charge amounted to £770k (2018: £563k). There were outstanding contributions of £77k at the end of the financial period (2018: £62k).

Notes (continued)

21 Related party disclosures

During the period the Company paid £497k (2018: £170k) in respect of shop-fitting services to a company (Workshop Limited) associated with a family member of one director (S G Thomas).

During the period the Company paid £51k (2018: £62k) in respect of rent of one shop (2017: two) to companies that are associated with two of the directors. £51k in respect of a sub-lease from a company (Moss Bros Group Plc) associated with A D M Hewitt and in the previous period £11k in respect of a lease from G T Treves. G T Treves has subsequently sold on the freehold interest of this property in August 2017.

During the period, the Company generated charitable donations of £474k for the White Stuff Foundation (2018: £491k) through a combination of direct charitable donations, fundraising initiatives carried out by our shops and employees, which are collected on behalf of the Foundation, and gifts in kind.

Total compensation of key management personnel (including the directors) in the period amounted to £2,493k (2018: £2,828k).

During the period, the Company made a loan to the CEO, Jo Jenkins for £80k to fund part of the cost of her interest in the grant of B Ordinary Shares in the capital of the Company, under the White Stuff JSOP scheme. The £80k remains outstanding at 27 April 2019.

The Company has utilised the exemption under FRS 102 as a subsidiary undertaking not to disclose transactions with White Stuff Group Limited.

22 Ultimate holding company

The ultimate parent undertaking of the Company is White Stuff Group Limited, which is registered in England and Wales. The financial statements of White Stuff Group Limited which consolidate the results of the Company may be obtained from Canterbury Court, Kennington Park, 1-3 Brixton Road, London, SW9 6DE.