Yours Clothing Limited

Annual report and financial statements

Registered number 02886196

For the period ended 2 February 2020

Contents

Company information

Directors	AR Killingsworth S Hatteea A Heather
Secretary	DJ Preece
Company number	02886196
Registered office	Newcombe House Bakewell Road Orton Southgate Peterborough PE2 6XU
Auditor	KPMG LLP 15 Canada Square Canary Wharf London E14 5GL
Banker	Barclays Bank plc 1 Church Street Peterborough Cambridgeshire PE1 1XE
Solicitor	Buckles Solicitors LLP Grant House 101 Bourges Boulevard Peterborough PE1 1NG

Strategic report

The directors present the strategic report for Yours Clothing Limited the period ended 2 February 2020.

Fair review of the business

The Directors are pleased with the performance of the business. Overall Revenue has increased by 3.7% (2019 19%). Gross profit % whilst still strong at 60.6% declined by 2.1% as trading was impacted by consumer confidence ahead of Brexit. Tight control of costs both here and elsewhere in overheads remains paramount to continued company profitability.

Despite the cloud of Brexit and Covid19 casting its shadow we look forward with optimism to the new-year.

Principal risks and uncertainties, including Brexit and Covid19

Uncertainties relating to Brexit will inevitably impact upon the company. Brexit is a significant event for the country and all the future implications for both the country and consequently the company are uncertain. This may, for example, lead to a significant downturn in the UK and European economic activity.

- We have many EU based customers and we anticipate they will remain good customers and will continue to grow in numbers with us.
- We have a significant number of EU nationals working for the company who we welcome and trust they will remain loyal to the company.
- We believe we can work around any friction in the delivery of our sales to offer a competitive service
- We do not foresee significant customs friction for our purchases which will have any significant adverse effect and we are working with our courier suppliers to mitigate the potential impacts.
- We anticipate being able to maintain our current trading terms with our mostly foreign based suppliers.
- Of material impact to the company will be the fluctuation in exchange rates consequent from any specific course of Brexit action. Of key concern to the company is US$ price and as necessary we continue to take all reasonable steps to mitigate the risk with forward currency contracts.

Uncertainties relating to Covid19 will impact the company, we have assessed the likely impact and sensitivities on this, the main areas of risk being:

- Second national wave of Covid19 in the UK with further high street lockdown;
- Significant consumer confidence challenge for high street shopping;
- Second Wave of Covid19 in key overseas sourcing markets.

The company is monitoring the impact and potential requirements of this risk and is well placed with its multi- channel distribution offering and localised sourcing opportunities. We anticipate being able to react and mitigate where possible.

As explained further in note 25 of the attached financial statements, the Covid19 pandemic is not considered to be an adjusting post balance sheet event at the Company's yearend.

Recent trading results have identified reduced activity and sales from our physical stores, exacerbated by temporary store closures where required by local or national authorities. However, our online activity has been performing well partially offsetting the physical store reductions.

Strategic report (continued)

Development and performance

We have added 12 stores in the financial year and amongst the new stores we have successfully established a presence in Dublin as well as opened 4 stores in northern Germany. It is anticipated this international growth will continue in these countries and beyond.

In addition:

- The development of distribution partners both wholesale and affiliate will be a key focus for 20/21 allowing new reach for our offering.
- The company successfully moved its head office and warehouse premises. Having taken the option to break the lease on the former property lease the group was able to buy outright the freehold for its new premises located less than a mile away. These new facilities provide us with resources to meet our foreseeable needs. This has also enabled the retention of the workforce who have worked hard to achieve a smooth and speedy relocation.

Key performance indicators

Our key performance indicators used in the management of the business continue to be turnover, gross margin, stock holding and overhead cost %.

Section 172 statement

The directors recognise their duties under section 172(1) (a) to (f) of the Companies Act 2006 and at all times act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole.

We have built and maintain strong relationships with our customers, suppliers and producers. They are key to the success of our business. In doing so we like to maintain our business standards to the highest ethical standards.

In support of the community the company has partnered with a local hospital charity for focused fundraising drives. This is in addition to supporting national fund raising drives for charities selected by its employees and as well as being a bronze award holder for the level of charitable contributions donated to the charities trust through the company assisted payroll giving scheme.

Understanding and clear communication remains key to our relationship with our Bankers and professional advisors, together they offer valued experienced guidance.

We are an equal opportunity employer and continue to invest in our people and their working conditions and remain committed to good human relations and working practices in all areas of our business.

We endeavour to minimise our impact upon the environment and to contribute positively wherever possible. We recycle all plastics and cardboard throughout our stores, warehouse and offices. We utilise Hybrid cars to reduce emission as well as having installed solar panels which supply non-polluting electricity back to the National Grid. The Company actively follows up on our Energy Savings Opportunity Scheme (ESOS) Reports and we are about to participate in the Streamlined Energy & Carbon Reporting (SECR) framework.

By order of the board

A Heather
Director

Date: 11 November 2020

Directors' report

The directors present their annual report and financial statements for the 52 week period ended 2 February 2020.

Principal activity

The principal activity of the company continued to be that of clothing retail and related accessories.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were:

AR Killingsworth
RJ Thurlow (Resigned 17 June 2020)
S Hatteea
A Heather

Results and dividends

The results for the period are set out on page 10.

Ordinary dividends were paid amounting to £nil *(period ended 3 February 2019: £5,420,000)*. The directors do not recommend payment of any further dividend.

Going concern

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 a potential uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements, we have nothing to report in these respects. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in the financial statements.

Disabled persons

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Equal opportunities

The company is an equal opportunities employer and offers career opportunities without discrimination.

Employee involvement

The company's policy is to consult and discuss with employees matters likely to affect employee's interest.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has 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.

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial period have been included in the Strategic Report on pages 2 and 3.

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

A Heather
Director

Newcombe House
Bakewell Road
Orton Southgate
Peterborough
PE2 6XU

11 November 2020

Statement of directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and applicable law.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- 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 Yours Clothing Limited

Opinion

We have audited the financial statements of Yours Clothing Limited ("the company") for the period ended 2 February 2020 which comprise the Statement of Profit and Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Cash Flow Statement, 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 2 February 2020 and of its profit for the period then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; 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.

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 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.

Independent auditor's report to the members of Yours Clothing Limited *(continued)*

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.

Directors' responsibilities

As explained more fully in their statement set out on page 6, 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.

Independent auditor's report to the members of Yours Clothing Limited *(continued)*

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

Aimie Keki (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
KPMG LLP
15 Canada Square
Canary Wharf
London
E14 5GL
United Kingdom

Date: 11 November 2020

Statement of Profit and Loss and Other Comprehensive Income
for the period ended 2 February 2020

	Note	52 weeks ended 2 February 2020 £	53 weeks ended 3 February 2019 £
Revenue	2	109,437,258	105,569,422
Cost of sales		(39,275,719)	(35,367,516)
Distribution expenses		(3,808,545)	(3,941,900)
Gross profit		66,352,994	66,260,006
Other operating income		96,912	80,525
Administrative expenses		(56,337,503)	(54,024,994)
Operating profit	3	10,112,403	12,315,537
Finance income	6	592,210	166,846
Finance expenses	6	(1,419,212)	(42,796)
Profit before tax		9,285,401	12,439,587
Taxation	7	(1,913,929)	(2,489,365)
Profit for the period		7,371,472	9,950,222

The income statement has been prepared on the basis that all operations are continuing operations.

A statement of comprehensive income has not been prepared as all the income and losses are included within the above statement of profit and loss.

The notes on pages 14 to 37 form part of these financial statements.

Statement of Financial Position
at 2 February 2020

	Note	2 February 2020 £	3 February 2019 £
Non-current assets			
Investments	*9*	21,739	21,739
Property, plant and equipment	*10*	7,336,219	7,875,163
Right-of-use assets	*11*	44,721,591	-
Intangible assets	*12*	180,919	161,204
		52,260,468	8,326,762
Current assets			
Inventories	*14*	11,725,263	10,231,188
Trade and other receivables	*15*	4,435,420	3,940,024
Deferred tax asset	*16*	292,435	268,656
Cash and cash equivalents		11,111,587	5,847,942
		27,564,705	20,019,154
Total assets		79,825,173	28,345,916
Current liabilities			
Trade and other payables	*17*	8,583,831	8,738,786
Lease liabilities	*18*	8,880,419	-
Provisions	*20*	338,462	430,570
Tax payable		969,176	993,284
		18,771,888	10,162,640
Non-current liabilities			
Trade and other payables	*17*	94,116	3,072,134
Lease liabilities	*18*	37,320,327	-
Provisions	*20*	2,076,638	920,410
		39,491,081	3,992,544
Total liabilities		58,262,969	14,155,184
Net assets		21,562,204	14,190,732
Equity			
Share capital	*21*	200	200
Retained earnings		21,562,004	14,190,532
Total equity		21,562,204	14,190,732

The notes on pages 14 to 37 form part of these financial statements.

These financial statements were approved by the board of directors on 11 November 2020 and were signed on its behalf by:

Anna Heather
Director

Company registered number: 2886196

Statement of Changes in Equity

	Note	Share capital £	Retained earnings £	Total equity £
Balance at 29 January 2018		200	9,660,310	9,660,510
Total comprehensive income for the period				
Profit for the period		-	9,950,222	9,950,222
Total comprehensive income for the period		-	9,950,222	9,950,222
Transactions with owners, recorded directly in equity				
Dividends paid	8	-	(5,420,000)	(5,420,000)
Balance at 3 February 2019		200	14,190,532	14,190,732
Balance at 4 February 2019		200	14,190,532	14,190,732
Total comprehensive income for the period				
Profit for the period		-	7,371,472	7,371,472
Total comprehensive income for the period		-	7,371,472	7,371,472
Transactions with owners, recorded directly in equity				
Dividends paid	8	-	-	-
Balance at 2 February 2020		200	21,562,004	21,562,204

The notes on pages 14 to 37 form part of these financial statements.

Cash Flow Statement
for the period ended 2 February 2020

	Note	52 weeks ended 2 February 2020 £	53 weeks ended 3 February 2019 £
Cash flows from operating activities			
Profit for the period		7,371,472	9,950,222
Adjustments for:			
Depreciation of property, plant and equipment	*10*	2,044,462	1,949,636
Impairment of property, plant and equipment	*10*	843,478	-
Amortisation of intangible fixed assets	*12*	38,775	16,886
Depreciation of right-of-use assets	*11*	9,084,325	-
Loss on disposal of fixed assets		-	219,656
Taxation	*7*	1,913,929	2,489,365
Finance income	*6*	(592,210)	(166,846)
Finance expense	*6*	1,419,212	42,796
		22,123,443	14,701,098
Working capital movements			
(Increase) in trade and other receivables		(1,677,008)	(1,030,464)
(Increase)/ decrease in inventories		(1,494,075)	246,724
Increase/ (decrease) in trade and other payables		799,344	(3,070,200)
Increase in provisions		1,064,120	199,383
		20,815,824	11,046,541
Tax paid		(1,961,816)	(2,352,912)
Net cash from operating activities		18,854,008	8,693,629
Cash flows from investing activities			
Acquisition of property, plant and equipment	*10*	(2,348,996)	(3,610,607)
Investment in subsidiary undertaking		-	(21,739)
Acquisition of intangible fixed assets	*12*	(58,490)	(49,226)
Proceeds from disposal of property		-	755,000
Net cash from investing activities		(2,407,486)	(2,926,572)
Cash flows from financing activities			
Finance income	*7*	592,210	166,846
Finance expense	*7*	(1,419,212)	(42,796)
Repayment of borrowings		-	(489,047)
Repayment of lease liability		(10,355,875)	
Dividends paid	*8*	-	(5,420,000)
Net cash from financing activities		(11,182,877)	(5,784,997)
Net increase in cash and cash equivalents		5,263,645	(17,940)
Cash and cash equivalents at beginning of period		5,847,942	5,865,882
Cash and cash equivalents at end of period		11,111,587	5,847,942

The notes on pages 14 to 37 form part of these financial statements.

Notes
(forming part of the financial statements)

1 Accounting policies

Yours Clothing Limited (the "Company") is a private company incorporated, domiciled and registered in England in the UK The registered number is 2886196 and the registered address is Newcombe House, Bakewell Road, Orton Southgate, Peterborough PE2 6XU.

The company financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs").

The financial statements are prepared in £ sterling, which is the functional currency of the company.

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

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 1.20.

1.1 Change in accounting policy

In these financial statements the Company has adopted the following IFRSs:

- IFRS 16: Leases

  IFRS 16 supersedes IAS 17 Lease, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives, and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

  The modified retrospective method was adopted under IFRS 16, with the date of initial application of 4th February 2019. Therefore, the comparative information has not been restated and continues to be reported under IAS17 and IFRIC 4.

  On the adoption of IFRS 16, lease arrangements give rise to both a right-of-use asset and a lease liability for future lease payables. The right-of-use asset is depreciated on a straight-line basis over the life of the lease. Interest is recognised in the Income Statement over the life of the lease and is unaffected by the new standard. However, IFRS 16 has resulted in the timing of lease expense recognition being accelerated for leases which would have been accounted for as operating leases.

  On a cash flow basis, the impact of transition to IFRS 16 is £nil and adoption of the standard has no impact on the commercial operations of the business.

  Transition

  The Company elected to use the transition exemption to not reassess whether a contract is, or contains a lease at 4th February 2019. Instead, the standard was only applied to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. An election was used to recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

  As a lessee

  The Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Only finance leases were then recognised on the balance sheet.

  Under IFRS 16, the Company recognises right-of-use assets and lease liabilities for most of these leases – i.e. these leases are on-balance sheet.

Notes *(continued)*

1 Accounting policies *(continued)*

1.1 Change in accounting policy (continued)

As a lessor

Where income is generated from the use of stores or other assets by third parties this is recorded as rental income. No assets are held for their investment potential and any income generated is supplemental to operating activities.

The Company is not required to make any adjustments on transition for leases in which it is a lessor.

For subleases that were previously classified as operating leases under IAS 17, rental income is recognised on a straight line basis over the term of the lease and included in other operating income.

Impact of IFRS 16

The quantitative impact of adopting IFRS 16 on the Company's financial statements for the year ending 2 February 2020 can be seen in notes 11 and 18.

1.2 Measurement convention

The financial statements are prepared on the historical cost basis.

1.3 Going concern

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared budgets and cash flow forecasts for the period to 31 Jan 2022 on both a baseline and taking account of severe yet plausible downsides taking into account the further potential impact of COVID-19 on the operations and its financial resources, the Company will have sufficient funds to meet its liabilities as they fall due for that period.

Subsequent to the year end, and as noted in note 25, the Company was affected by the global pandemic, COVID-19. The outbreak continued to develop after the period end with the Company having to announce the temporary closure of all Yours Clothing shops from 21 March 2020, reopening when allowable by local and national Governments, which was from 15 June 2020 in the UK. During this time, internet sales increased, but overall sales for the period were down 22% in relation to similar period from the previous year. The Company carried out a number of cost cutting exercises, including taking advantage of a number of Government support schemes.

The budgets and forecasts to 31 January 2022 have been prepared by means of a baseline forecast which includes an in-store reduction in revenue in year 1 and year 2 compared with the previous period results. Additional downside sensitivity analysis has also been applied including the effects of a potential further lockdown period arising from the effects of the COVID-19 pandemic. The stressed forecast includes a further drop in store revenues in year 1 and year 2.

The additional sensitivity analysis has been undertaken to incorporate disruption to the following key operating factors:

- A second spike of Covid-19 resulting in a similar impact as first wave including a general high street lock down;
- A wholesale store closure provision and store closures based on reduced profitability following a second spike of Covid-19 incorporation impairment, onerous leases and redundancy;
- Disruption to our overseas supply chain as a result of second waves of Covid-19 in overseas territories.

Notes *(continued)*

1 Accounting policies *(continued)*

1.3 Going concern (continued)

If significant disruption to the business arises then the Company has potential mitigation actions that it could undertake, including the review of all costs and realignment of marketing expenditure to support trading.

In addition to the strong cash position the Company has finance facilities of a £3m multi-currency overdraft and a $1.85m letters of credit facility with Barclays Bank Plc. Within both the baseline and the stressed forecast the Company continues to operate without the need to utilise these facilities and cash headroom remains. Whilst the Company is not forecasting to need to use the agreed facilities, nor exceed the facilities in any months discussions with the bank have confirmed that they are able to continue the overdraft and would look to support the business if this is needed. In addition to the above the shareholder of the Company has also indicated ongoing support of the Company through this difficult period should it be required.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

1.4 Foreign currency

The financial statements are prepared in GB £ sterling which is the functional currency of the company.

Transactions entered into by the Company in a currency other than the functional currency are recorded at the rates ruling when the transaction occurs.

Foreign monetary assets and liabilities are translated at the rates ruling at the reporting date.

Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in the income statement.

Foreign Currency hedging

The company maintains an on-going hedge against its foreign currency exposure, mainly being the US $ for the purchase of goods for resale.

Any exchange gains or losses arising from the hedging of completed transactions are recognised immediately in the income statement. Any exchange gains or losses, arising from the retranslation, at the rate ruling on the reporting date, of the unutilised outstanding balance of forward currency contracts are recognised in the income statement.

Notes *(continued)*

1 Accounting policies *(continued)*

1.5 Non-derivative financial instruments

Financial assets

Basic financial assets include cash and cash equivalents.

They include deposits held at call with banks and similar institutions, store floats and other cash in hand and all have a maturity of less than 3 months and are carried at a fair value.

Bank overdrafts are separately identified and shown within Borrowings within Current Liabilities

Basic financial assets also include trade and other receivables.

Trade and other receivables are initially measured at the transaction price and subsequently re-measured at fair value. They have a maturity of less than one year.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime expected credit losses.

Financial liabilities

Basic financial liabilities include borrowings.

They include amounts due to banks and similar institutions and have a maturity of less than one year and are carried at a fair value.

Other borrowings due after one year are measured at fair value being amortised by the effective interest rate method.

Basic financial liabilities also include trade and other payables. Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are initially measured at the transaction price and subsequently at a fair value. These have a maturity of less than one year.

1.6 Intra-group financial instruments

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company considers these to be insurance arrangements and accounts for them as such. In this respect, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

1.7 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Freehold land and buildings are recognised at cost and have not been subject to any revaluation. Freehold land is not depreciated. Leasehold land and buildings are recognised at cost and are stated net of any landlord capital contribution to fitting out costs.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Depreciation on leasehold stores commences on the date the lease is taken. Depreciation on all other items of property plant and equipment is provided so as to write off their carrying value over their expected useful economic lives. It is provided at the following rates:

- Freehold buildings — 2% per annum straight line
- Leasehold land and buildings — Straight line over the full period of the lease
- Fixtures and fittings — 20% per annum reducing balance
- Computer equipment — 33% per annum straight line
- Motor vehicles — 25% per annum reducing balance

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

On disposal of an asset a gain or loss is determined as the difference between the disposal proceeds and the carrying value of the asset which is then taken to the Income Statement.

Notes *(continued)*

1 Accounting policies *(continued)*

1.8 Leases (policy applicable from 4 February 2019)

Previously the Company determined at contract inception whether an arrangement was or contained a lease under IFRIC 4: Determining whether an Arrangement contains a Lease. The Company now assesses whether a contract is or contains a lease based on the definition of a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time for a consideration.

As a lessee
A single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Company recognises right-of-use assets and a lease liability at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liability recognised, indirect costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise,
- lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and
- penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, to the extent that the right-of-use asset is reduced to nil, with any further adjustment required from the remeasurement being recorded in profit or loss.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for lease of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Notes *(continued)*

1 Accounting policies *(continued)*

1.9 Intangible assets and goodwill

Purchased intangible fixed assets are initially recognised at cost and subsequently measured at cost less amortisation and impairment losses.

Amortisation

Amortisation on items of intangible fixed assets is provided so as to write off their carrying value over their expected useful economic lives. It is provided at the following rates:

- Trademarks 10% per annum straight line
- Website costs Straight line over 3 years

On disposal of an asset a gain or loss is determined as the difference between the disposal proceeds and the carrying value of the asset which is then taken to the income statement.

1.10 Impairment of non-current assets

The company continually reviews the carrying value of its intangible, tangible fixed, and right-of-use assets to determine whether those assets have suffered an impairment loss.

If such a condition is identified the recoverable amount of the asset is estimated in order to determine the amount of the impairment gain or loss. The recoverable amount is the higher of its value in use and its fair value to sell.

In assessing the value in use the Company looks at the discounted value of the future cash flows from the individual asset (or the smallest group of assets to which it belongs for which there are identifiable cash flows).

If the recoverable amount of any asset is estimated to be less than the carrying value of the asset an impairment loss is immediately recognised in the income statement. Any gain is not recognised.

Once written off impairment losses are not reversed unless the reasons for the initial impairment have ceased to apply.

1.11 Inventories

Inventories are initially recognised at cost and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, any costs of conversion and other costs bringing the inventories to their present location and condition including duty and freight.

Notes *(continued)*

1 Accounting policies *(continued)*

1.12 Employee benefits

The costs of any employee benefits are recognised as an expense and a liability as incurred.

Payments to a defined contribution pension scheme required by Statute are charged as an expense as incurred.

A liability is recognised for the amount expected to be paid under a short term bonus plan for employees where there is an obligation to pay the amount and the liability can be estimated.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. However, the Company holiday year is coterminous with the Company financial year usually resulting in no liability.

Any termination of employment costs are recognised immediately.

1.13 Dividends

Dividends are recognised when they become legally payable.

1.14 Revenue

In accordance with IFRS 15 revenue from the sale of goods is recognised when the Company has transferred the risks and rewards of ownership to the buyer and it is probable that the Company will receive the previously agreed upon payment. For sales in store this will be the completion of the transaction and for Internet sales this will be the anticipated receipt of the goods by the customer. Where the buyer has a right of return and has subsequently exercised that right an appropriate provision is made against revenue.

Revenue is stated net of trade discounts and value added taxes.

1.15 Provisions

A provision is recognised in the balance sheet when the company has a measurable liability as a result of a past event.

An onerous contract is considered to exist where the unavoidable costs exceed any economic benefit to be received from the contract. The present obligation under an onerous contract is measured and recognised as a provision.

Provision for the expected cost of warranty obligations under sale of goods legislation and company terms and conditions is recognised at the period end. The provision is the director's best estimate of the refunds required to settle any such obligation.

Where the company has incurred a liability to make good a leasehold property, at the expiration of the lease or on leaving, an estimate is made for that cost and a provision for such amount is spread over the life of the lease.

The company will recognise a provision for legal proceedings where a present obligation arises from a past event.

In any circumstances where there is a potential liability and the amount cannot be estimated reliably then a contingent liability is disclosed.

1.16 Expenses

Financing income and expenses

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method.

Operating lease payments (policy applicable before 4 February 2019)

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

Notes *(continued)*

1 Accounting policies *(continued)*

1.17 Taxation

Tax expense represents the sum of the current tax payable and any deferred tax

Current tax comprises the tax payable based on the taxable profit for the year.

The taxable profit differs from the profit shown in the income statement because it excludes items of income and expenditure that are taxable or deductible in other years. It further excludes items that are never taxable or deductible.

The company liability for current tax is calculated using the enacted or substantively enacted current tax rate.

Deferred tax comprises the tax payable on all timing differences. Timing differences occur when there are differences between the company's taxable profits stated in the financial statements and those stated in the company tax assessments. The tax on these timing differences may originate in the period but may not have reversed by the period end. Deferred tax is measured at the tax rate expected to apply in the period during which the deferred tax will reverse.

A deferred tax liability is discounted and any deferred tax asset only recognised to the extent it is likely to be recovered.

1.18 Equity

Financial instruments issued by the Company are classified as Equity to the extent that it does not meet the definition of a financial liability or financial asset.

Only the Company's ordinary shares are classified as Equity instruments.

1.19 Adopted IFRS not yet applied

The following Adopted IFRSs have been issued but have not been applied in these financial statements. Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated:

- IFRS 17 Insurance Contracts
- Amendments to References to the Conceptual Framework in IFRS Standards
- Amendments to IFRS 3: Business Combinations
- Amendments to IAS 1 and IAS 8: Definition of Material
- Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform

Notes *(continued)*

1 Accounting policies *(continued)*

1.20 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The areas where there may be a risk of misstatement includes:

- Dismantling costs and dilapidation of leasehold properties

The company has contractual obligations to return leasehold properties to their original state prior to return to the landlord at the end of the lease. The company estimates the amount of this future liability based upon a combination of historical experience of vacating stores and a best estimate of the likely future costs to be incurred in making good the company property portfolio. The estimate is calculated store by store as a specific amount with adjustment made for any special circumstances relating to an individual property. The carrying value is disclosed in note 20.

- Determining the lease term of contracts with renewal and termination options

The company determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The company has many lease contracts that include extension and termination options. The company applies evaluates whether it is reasonably certain whether or not to exercise option to renew or terminate the lease. It considers all relevant economic factors as to whether to exercise either renewal or termination.

Leases – Estimating the incremental borrowing rate

The company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the company would have to pay to borrow over a similar term, and with similar security, the funds required to procure an asset of similar value for the right-of-use asset in as similar economic environment. The IBR therefore reflects what the company 'would have to pay', which requires estimation when no observable rates are available (such as subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

- Impairment of non-financial assets

Impairments exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is higher of its fair value less costs of disposal and its value in use.

Notes *(continued)*

2 Revenue

(i) Disaggregation of revenue

	52 weeks ended 2 February 2020 £	53 weeks ended 3 February 2019 £
United Kingdom	97,627,906	95,726,883
Europe	10,016,603	8,141,905
Rest of the World	1,792,749	1,700,634
	109,437,258	105,569,422

All revenue relates to the sales of goods and is delivered at the period end date.

(ii) Contract balances

The following table provides information about opening and closing receivables, contract assets and contract liabilities from contracts with customers. No contract assets were noted as at the year-end date.

	Note	£	£
Receivables	*15*	1,505,331	624,111
Contract liabilities	*17*	(665,767)	(401,000)

Contract liabilities relate to goods that have left the warehouse but have yet to be delivered to the customer and have consequently been removed from revenue. The company applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about performance obligations that have original expected durations of one year or less.

3 Expenses and auditor's remuneration

Included in profit / (loss) are the following:

	52 weeks ended 2 February 2020 £	53 weeks ended 3 February 2019 £
Realised Exchange gains	(578,357)	(166,095)
Unrealised foreign exchange losses	139,967	13,060
Depreciation of owned property, plant and equipment	2,044,462	1,946,636
Impairment of owned property, plant and equipment	843,478	-
Loss on disposal of property, plant and equipment	-	219,656
Amortisation of intangible assets	38,775	16,886
Depreciation on right-of-use-asset	9,084,325	-
Cost of inventories recognised as an expense	38,388,370	35,322,369
Operating lease charges	620,428	9,779,722
Management fees payable	1,440,000	1,440,000
Management fees receivable	(120,000)	(121,739)

Auditor's remuneration:

Audit of these financial statements	82,000	48,000
Amounts receivable by the company's auditor and its associates in respect of:		
All other non-audit services	-	-

Notes *(continued)*

4 Staff numbers and costs

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

	Number of employees 52 weeks ended 2 February 2020	53 weeks ended 3 February 2019
Management and warehouse	253	242
Retail	1,082	1,074
	1,335	1,316

The aggregate payroll costs of these persons were as follows:

	52 weeks ended 2 February 2020 £	53 weeks ended 3 February 2019 £
Wages and salaries	18,488,644	17,583,341
Social security costs	1,102,911	1,016,496
Contributions to defined contribution plans	214,618	130,429
	19,806,173	18,730,266

5 Directors' remuneration

	52 weeks ended 2 February 2020 £	53 weeks ended 3 February 2019 £
Directors' remuneration	248,267	497,512
Compensation for loss of office	-	663,644

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	52 weeks ended 2 February 2020 £	53 weeks ended 3 February 2019 £
Remuneration for qualifying services	197,396	702,214

Notes *(continued)*

6 Finance income and expense

	52 weeks ended 2 February 2020 £	53 weeks ended 3 February 2019 £
Interest and finance charges paid/payable for lease liabilities	1,279,237	-
Unrealised foreign exchange losses	139,967	13,060
Interest on bank overdrafts and loans	8	29,736
Total finance expense	1,419,212	42,796
Realised net foreign exchange gains	578,357	166,095
Interest income	13,853	751
Total finance income	592,210	166,846

7 Taxation

Recognised in the income statement

	52 weeks ended 2 February 2020 £	53 weeks ended 3 February 2019 £
Current tax expense		
Current period	1,938,492	2,490,819
Adjustments for prior periods	(784)	(21,008)
Current tax expense	1,937,708	2,469,811
Deferred tax expense		
Origination and reversal of temporary differences	(23,779)	19,554
Deferred tax expense	(23,779)	19,554
Total tax expense	1,913,929	2,489,365

Notes *(continued)*

7 Taxation (continued)

Reconciliation of effective tax rate

	52 weeks ended 2 February 2020 £	53 weeks ended 3 February 2019 £
Profit for the period	7,371,472	9,950,222
Total tax expense	1,913,929	2,489,365
Profit before taxation	9,285,401	12,439,587
Tax using the UK corporation tax rate of 19.0% (2019: 19%)	1,764,226	2,363,522
Fixed asset timing difference	103,459	97,828
Other including non-deductible items	46,244	28,015
Total tax expense	1,913,929	2,489,365

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016, and the UK deferred tax asset as at 2 February 2020 has been calculated based on this rate.
The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. This will increase the company's future current tax charge accordingly and increase the deferred tax asset by £34,404.

8 Dividends

	52 weeks ended 2 February 2019 £	53 weeks ended 3 February 2019 £
No Interim was paid in the year *(2019: £12,500 per qualifying ordinary share)*	-	2,500,000
No Final was paid for the year *(2019: £14,600 per qualifying ordinary share)*	-	2,920,000
Total dividends	-	5,420,000

9 Investments

The Company has the following investments in subsidiaries:

	Registered office address	Class of shares held	Ownership 2020	Ownership 2019
Yours Clothing (Deutschland) GmbH	C/o KSW Krömer Steger Westhoff, Rechtsanwälte, Blumenstraße 14, 40212 Düsseldorf	Ordinary	100%	100%

This company commenced business in the year ended 2019. The results of Yours Clothing (Deutschland) GmbH are consolidated into the Group results the ultimate holding Company, AK Retail Holdings Limited. The primary business of the company is the retail of women's clothing through stores in Germany.

Notes *(continued)*

10 Property, plant and equipment

	Land and buildings Freehold £	Land and buildings Leasehold £	Fixtures, Fittings and equipment £	Motor vehicles £	Total £
Cost					
Balance at 29 January 2018	899,711	8,189,812	6,155,821	117,194	15,362,538
Additions	-	2,591,738	1,018,869	-	3,610,607
Disposals	(755,000)	(372,698)	(624,772)	-	(1,752,470)
Transfers	(144,711)	144,711	-	-	-
Balance at 3 February 2019	-	10,553,563	6,549,918	117,194	17,220,675
Balance at 4 February 2019	-	10,553,563	6,549,918	117,194	17,220,675
Additions	-	1,257,804	1,063,747	27,445	2,348,996
Balance at 2 February 2020	-	**11,811,367**	**7,613,665**	**144,639**	**19,569,671**
Depreciation and impairment	19,496	4,442,610	3,634,212	77,373	8,173,691
Balance at 29 January 2018					
Depreciation charge for the period	11,523	1,114,824	813,334	9,955	1,949,636
Eliminated in respect of disposals	-	(230,103)	(547,712)	-	(777,815)
Transfers	(31,019)	31,019	-	-	-
Balance at 3 February 2019	-	5,358,350	3,899,834	87,328	9,345,512
Balance at 4 February 2019	-	5,358,350	3,899,834	87,328	9,345,512
Depreciation charge for the period	-	1,273,039	760,307	11,116	2,044,462
Impairment of asset	-	598,572	244,906	-	843,478
Balance at 2 February 2020	-	**7,229,961**	**4,905,047**	**98,444**	**12,233,452**
Net book value					
At 3 February 2019	-	5,195,213	2,650,084	29,866	7,875,163
At 2 February 2020	-	**4,581,406**	**2,708,618**	**46,195**	**7,336,219**

The assets generally have been pledged as security to secure on the borrowings of the company.

No assets are held under finance leases.

In the prior year, the Company sold freehold land and buildings with a net book value of £755,000 to its parent company.

Notes *(continued)*

11 Right-of-use Assets

The balance sheet shows the following amounts relating to leases:

	Leasehold Property	Motor Vehicles	Total
	£	£	£
As at 4 February 2019 (Restated)	43,955,193	130,478	44,085,671
Additions (cost on lease commencement)	8,913,105	58,195	8,971,300
Additions (cost on lease modification)	975,437	-	975,437
Disposals (cost on lease expiration)	(208,764)	(17,728)	(226,492)
Total Acquisition Value	**53,634,971**	**170,945**	**53,805,916**
Depreciation expense on active leases	9,226,421	84,396	9,310,817
Depreciation on Lease Expiration	(208,764)	(17,728)	(226,492)
Total Accumulated Depreciation	9,017,657	66,668	9,084,325
Total Right-of-Use Assets at 2 February 2020	**44,617,314**	**104,277**	**44,721,591**

In the previous year, the Company would only have recognised lease assets and lease liabilities in relation to leases that were classified as 'finance leases' under IAS 17 Leases, of which there were none.

These right-of-use assets are depreciated on a straight-line basis over the remaining term of the rental agreement. As at the date of these financial statements, the remaining terms range from under 1 year to 10 years.

Notes *(continued)*

12 Intangible assets

	Trademarks £	Website development £	Total £
Cost			
Balance at 29 January 2018	160,594	1,868,500	2,029,094
Additions	10,441	38,785	49,226
Balance at 3 February 2019	171,035	1,907,285	2,078,320
Balance at 4 February 2019	171,035	1,907,285	2,078,320
Additions	6,777	51,713	58,490
Balance at 2 February 2020	177,812	1,958,998	2,136,810
Amortisation and impairment			
Balance at 30 January 2018	31,730	1,868,500	1,900,230
Amortisation for the period	16,886	-	16,886
Balance at 3 February 2019	48,616	1,868,500	1,917,116
Balance at 4 February 2019	48,616	1,868,500	1,917,116
Amortisation for the period	17,228	21,547	38,775
Balance at 2 February 2020	65,844	1,890,047	1,955,891
Net book value			
At 3 February 2019	122,419	38,785	161,204
At 2 February 2020	**111,968**	**68,951**	**180,919**

Notes *(continued)*

13 Other financial liabilities and commitments

	2 February 2020 £	3 February 2019 £
Financial liabilities measured at fair value through the income statement		
Foreign currency forward contracts of US$ 4,540,667 *(2019: US$ 4,319,355)*	3,439,899	3,297,218
Other financial contracts not carried in the balance sheet		
Financial guarantee contracts by way of letter of credit of US$ 920,857 *(2019: US$ 1,770,580)*	800,745	1,351,588

14 Inventories

	2 February 2020 £	3 February 2019 £
Finished goods and goods for resale	11,435,292	10,062,768
Goods in transit	289,971	168,420
	11,725,263	10,231,188

The cost of inventories recognised as an expense was £38,388,370 *(2019: £35,222,369)*. This cost incudes £942,729 *(2019 £270,226)* in respect of write-downs to net realisable value. This cost also includes £204,467 *(2019: £183,697)* in respect of write-downs for items held for more than one period.

15 Trade and other receivables

	2 February 2020 £	3 February 2019 £
Current		
Trade receivables	1,505,331	624,111
Amounts due from group undertakings	919,098	457,824
Other receivables	33,179	124,262
Prepayments and accrued income	1,977,812	2,733,827
	4,435,420	3,940,024

Notes *(continued)*

16 Deferred tax assets and liabilities

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2 February 2020 £	3 February 2019 £
Accelerated capital allowances	**292,435**	268,656

Movements in the period:

	Deferred tax £
At beginning of period	268,656
Credit to profit or loss	23,779
At end of period	292,435

17 Trade and other payables

	2 February 2020 £	3 February 2019 £
Current		
Trade and other payables	**3,386,313**	3,268,929
Contract liabilities	**665,767**	401,000
Other taxes and social security	**542,536**	845,173
Accruals and deferred income	**3,837,504**	4,211,940
Financial liabilities at fair value through profit and loss	**151,711**	11,744
	8,583,831	8,738,786
Non-current		
Accruals and deferred income	**94,116**	3,072,134
	94,116	3,072,134

The carrying value of financial liabilities represents foreign exchange forward contracts. The contracts are not traded in active markets. These have been valued using observable foreign exchange rates

Notes *(continued)*

18 Lease liabilities

	2 February 2020 £	3 February 2019 £
Current	8,880,419	-
Non-current	37,320,327	-
	46,200,746	-

The average incremental borrowing rate applied to lease liabilities recognised within the Statements of Financial Position at the date of initial application was 2.85%.

19 Employee benefits

Defined contribution schemes

	2 February 2020 £	3 February 2019 £
Charge to profit or loss in respect of defined contribution schemes	214,618	130,429

20 Provision for liabilities

Movements on provisions apart from deferred tax liabilities:

	Onerous contract £	Warranty / Right of return £	Dilapidations provision £	Dismantling provision £	Total £
At beginning of period	59,518	290,000	1,001,462	-	1,350,980
Additional provision charged to Right-of-use assets	-	-	-	1,237,325	1,237,325
Charged to profit and loss	-	25,000	-	-	25,000
Utilised in the period	(59,518)	-	(1,016)	-	(60,534)
Released in the period	-	(137,671)	-	-	(137,671)
At end of period	-	177,329	1,000,446	1,237,325	2,415,100

The dismantling and dilapidations provisions relates to the anticipated repair cost that the company will be expected to incur at the end of the lease period at each store. The provision is on a store by store basis and is dependent on the terms within the lease. In accordance with IFRS 16 the full value of the anticipated cost is recognised in full from commencement of the lease and is charged to the profit and loss account over the course of the lease. The onerous contract related to redundant software no longer in use in the business. The warranty / right of return provision represents a provision for credit notes issues to customers after the period end, relating to the period ended 2 February 2020.

Notes *(continued)*

21 Capital and reserves

Share capital

	2 February 2020 £	3 February 2019 £
Issued and fully paid		
200 Ordinary shares of £1 each	200	200

Ordinary shares carry one vote per share and a right to dividends.

22 Financial instruments

The company is exposed through its operations to the following financial risks:

- Credit Risk
- Foreign exchange risk
- Liquidity risk

In common with other businesses the Company is exposed to risks that arise from its use of financial instruments. The Company's objectives policies and processes for managing those risks are disclosed below. Further quantitative information is presented throughout these financial statements. The present approach to managing exposure is consistent with previous periods.

The principal financial instruments used by the company from which risk arises are as follows

- Cash and Cash equivalents
- Borrowings
- Trade receivables
- Trade payables
- Forward currency contracts

General objectives

The board has overall responsibility for the determination of the Company's risk management objectives. The overall objective is to reduce risk without unduly affecting the Company competitiveness and flexibility.

Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligation. Being a retailer, credit sales are of a minimum, but where goods are sold on credit an appropriate credit assessment is implemented before entering a contract. Credit risk also arises from cash and cash equivalents and deposits with banks. Only highly rated banks are accepted. The Company does not enter into arrangements to manage credit risk

	2020 Carrying value £	Maximum exposure £	2019 Carrying value £	Maximum exposure £
Cash and cash equivalents	11,111,587	11,111,587	5,847,942	5,847,942
Trade receivables	1,505,331	1,505,331	624,111	624,111
Total financial assets	12,616,918	12,616,918	6,472,053	6,472,053

A significant amount of cash is held with the following bank:

Barclays Bank plc		10,386,179		5,274,775

Notes *(continued)*

22 Financial instruments *(continued)*

Foreign Currency Risk

Market risk arises primarily from the Company's use of foreign currency financial instruments. It is the risk that the fair value of future currency cash flows from financial instruments will fluctuate because of changing foreign exchange rates. The Company is predominately exposed to currency risk on purchases made from suppliers in the Far East, but denominated in US $. The Company is also increasingly exposed to Sales in the Euro-zone and elsewhere, denominated in Euro €. Some purchases are made from suppliers denominated in Euro € and for the moment these perform a natural hedge.

At 2 February 2020 the Company's net exposure to foreign exchange risk was as follows:

	Sterling £		US $		Euro €	
	2020	2019	**2020**	2019	**2020**	2019
Cash and cash equivalents	**10,379,064**	4,040,470	**63,188**	13,382	**666,161**	1,729,355
Trade receivables	**1,379,542**	175,045	**126,732**	-	**(943)**	449,031
Trade payables	**(3,779,553)**	(2,398,221)	**762,314**	(770,965)	**(102,115)**	(99,744)
US $ foreign currency forward contracts	**-**	-	**3,439,899**	3,297,218	**-**	-
Total net exposure	**7,979,053**	1,817,294	**4,392,133**	2,539,635	**563,103**	2,078,642

	Other		Total	
	2020	2019	**2020**	2019
Cash and cash equivalents	**3,174**	64,734	**11,111,587**	5,847,941
Trade receivables	**-**	33	**1,505,331**	624,109
Trade payables	**-**	-	**(3,119,354)**	(3,268,930)
US $ foreign currency forward contracts	**-**	-	**3,439,899**	3,297,218
Total net exposure	**3,174**	64,767	**12,937,463**	6,500,338

Notes *(continued)*

22 Financial instruments *(continued)*

The derivative financial instruments are held with the Western Union.

Liquidity risk

Liquidity risk arises from the Company's management of working capital and the repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. The Company policy is to ensure that there will be sufficient cash to meet its liabilities as they fall due. To achieve this cash balances are maintained at a level to meet expected requirements for at least the next month. The Board regularly receives both short and long term cash flow projections At the end of the period these projections indicated that the Company is expected to have sufficient liquid resources to meet its obligations. Furthermore it is not anticipated there will be any significant need to draw down on the agreed £3,000,000 overdraft facility

At 2 February 2020 the Company's contractual maturities comprise:

	Up to 3 months	Between 3 and 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	-	-	-	-	-
US $ foreign currency forward contracts	-	3,439,899	-	-	-
Total net exposure	-	3,439,899	-	-	-

At 3 February 2019 the Company's contractual maturities comprise:

	Up to 3 months	Between 3 and 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	(2,762,829)	-	-	-	-
US $ foreign currency forward contracts	-	3,297,218	-	-	-
Total net exposure	(2,762,829)	3,297,218	-	-	-

Financial instruments at fair values

The following assets and liabilities have been designated at a fair value through the profit and loss account:

	2 February 2020 £	3 February 2019 £
Loans and receivables:		
Trade receivables	2,424,429	1,081,935
Other receivables	2,010,991	2,858,089
Cash and cash equivalents	11,111,587	5,847,942
	15,547,007	9,787,966

Notes *(continued)*

22 Financial instruments *(continued)*

Financial liabilities at amortised cost:		
Trade payables	3,386,312	(3,268,929)
Contract liabilities	665,767	(401,000)
Other payables	4,474,156	(5,057,113)
Current borrowings	-	-
Non-current other payables	(140,616)	(3,072,134)
Lease liabilities – Current	75,133	-
Non-current borrowings	-	-
Lease liabilities – Non-current	37,320,327	-
	(45,781,079)	(11,799,176)
Derivatives used for hedging:		
Financial instrument assets	3,439,899	3,297,218
Financial instrument liability	-	(3,308,962)
	3,439,899	(11,744)

Based upon the valuation technique used to determine the fair value, all assets and liabilities are considered to be level 2 in the fair value hierarchy, being based upon open market valuations and prices or otherwise derived from the like.

23 Related parties

Transactions with key management personnel

All key management personnel are also directors. The compensation of key management personnel (being the directors) is as follows:

	2 February 2020 £	3 February 2019 £
Key management emoluments including social security costs	248,267	497,512
Compensation for loss of office	-	663,644
	248,267	1,161,156

Transactions with related parties

During the period, Moore Stephens Chartered Accountants, a partnership in which the director RJ Thurlow has an interest, received payroll process servicing fees of £10,583 *(2019: £23,245)* from the company.

At 2 February 2020, the company owed £13 *(2019: £2,550)* to Moore Stephens Chartered Accountants.

During the period, Yours Clothing (Deutschland) GmbH was liable for fees of £120,000 *(2019: £121,739)* to the company.

At 2 February 2020, the Company was owed £996,270 *(2019: £234,652)* by Yours Clothing (Deutschland) Limited.

During the period, AK Retail Holdings Limited, the ultimate parent undertaking, received fees of £1,440,000 *(2019: £1,440,000)* from the company.

At 2 February 2020, the Group was owed £Nil *by* AK Retail Holdings Limited. *(2019: £7,723 owed to).*

Notes *(continued)*

24 Ultimate parent company and parent company of larger group

The immediate and ultimate parent undertaking is AK Retail Holdings Limited, a company registered in England and Wales.

The largest and smallest group in which the results of the Company are consolidated is that headed by AK Retail Holdings Limited, registered at Newcombe House, Bakewell Road, Orton Southgate, Peterborough, PE2 6XU.

The company is ultimately controlled by AR Killingsworth, by virtue of his 100% shareholding in the parent company.

25 Subsequent Events

At the 2 February 2020 the Coronavirus outbreak was mainly restricted to China and few cases outside of that domain. Whilst this presents a threat to the supply chain it was not forecasted to impact day-to-day operation and therefore no impact was reflected in the company's sales performance and cost forecasts. The outbreak continued to develop after the period end with the Company having to announce the temporary closure of all Yours Clothing shops from 21 March 2020, reopening when allowable by local and national Governments, which was from 15 June 2020 in the UK.

The company judge that Coronavirus is a non-adjusting post balance sheet event at 2 February 2020 on the basis that at that date:

- The World Health Organisation had not declared a global health emergency;
- There was no significant spread of the virus outside of China; and
- There were no known cases in the UK and no evidence that the virus was not contained in Europe at that stage.

Events such as the announcement or enactment of new measures to contain the virus or decisions taken by management are generally considered to be non-adjusting. As a non-adjusting event we have therefore made no adjustments in these financial statements to account for the impact of Coronavirus above which was known at 2 February 2020. Given the unknown and unprecedented risk and response to the outbreak it is difficult to predict the full extent that Coronavirus will have on our retail and online sales. We have summarised below where we see material changes in our estimates and judgements impacting the balance sheet at 2 February 2020. This is based on our best estimates of the impact of the closure of Yours Clothing shops for a period to 11 November 2020 and the wider economic challenges of the virus over this period and beyond.

Branch impairments
Cash flows from each store has been reduced, which will decrease the recoverable amount for each individual store as a cash generating unit. The financial statements could therefore be subject to an increased impairment change which, as discussed above, is considered to be a non-adjusting post balance sheet event.

For the purpose of appropriate disclosure, we have modelled a sensitivity aligned to the downside scenarios used for going concern and viability assessment. This includes the factors outlined within the Strategic Report on page 2 and in the Account Policies Going Concern note on page 15.