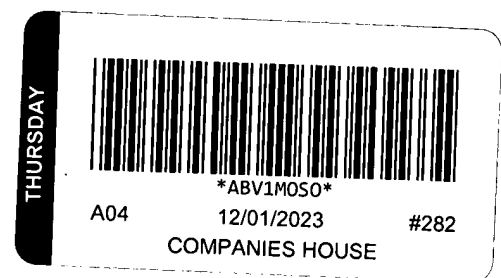


Registration number: 2914928

Charles Tyrwhitt Shirts Limited
Annual Report and Audited Financial Statements
for the 52 week period ended 30 July 2022



Charles Tyrwhitt Shirts Limited

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Charles Tyrwhitt Shirts Limited

Company information

Directors

N C T Wheeler
P J Higgins

Company secretary

P J Higgins

Registered office

Ground Floor
Cottons Centre
Cottons Lane
London
SE1 2QG

Solicitors

Blake Morgan LLP
29 Great Peter Street
London
SW1P 3LW

Bankers

Lloyds Banking Group
25 Gresham Street
London
EC2V 7HN

Auditor

Deloitte LLP
Statutory Auditor
Abbots House
Abbey Street
Reading
Berkshire
RG1 3BD
United Kingdom

Charles Tyrwhitt Shirts Limited

Strategic report

For the 52 week period ended 30 July 2022

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

Principal activity

The principal activity of Charles Tyrwhitt Shirts Limited ("the company") in the period was the sale by mail order, retail and the internet of men's apparel and accessories. The key mail order markets for Charles Tyrwhitt Shirts Limited are the UK, USA, Germany and Australia, whereas the key retail market is in the UK.

Review of the business

Turnover for the period is £185.2m (2021: £107.8m). The increase in turnover is attributed to a strong recovery from the macro-economic challenges of COVID-19 throughout the previous year. Our trading success has been broad based across our sales channels. Our retail stores continue their recovery post COVID. Their performance is driven by our strong customer service ethos, improvements to our ranging and the increased relevance of our product range to customers. We did not open any new stores in the financial year. Our digital business contributed strongly to our Turnover performance supported by our activity to drive more traffic, our website conversion improvement programme and the strength of our product offer.

Despite the challenges caused by inflationary pressures, disruption to supply chain and global political uncertainty, our cost base continues to be well managed, resulting in an underlying EBITDA for the financial year of £16.6m (2021: £1.5m loss).

This improved Ebitda, alongside our updated forecasts and consideration of reasonable downside scenarios, has resulted in the £30.2m reversal of the historic impairment of the brand intangible asset.

As a result of these strong underlying profits coupled with the reversal of this historic impairment of £30.2m, the company ended the period with net assets of £56m (2021: £24m).

Key performance indicators (KPIs)

Management drives the performance of the business via the setting and review of a range of measures. These are both financial and non-financial KPIs. The KPIs are assessed versus internal targets and prior year performance. The most appropriate KPIs for an understanding of performance of the company have been presented below:

	2022	2021
Turnover	£185.2m	£107.8m
% Turnover by geographical market		
<i>United Kingdom</i>	54%	45%
<i>Rest of the world</i>	46%	55%
Underlying EBITDA (i)	£16.6m	(£1.5m)
<i>Depreciation</i>	(£1.1m)	(£2.1m)
<i>Amortisation</i>	(£3.0m)	(£2.9m)
<i>Non-recurring costs (ii)</i>	£30.6m	(£4.5m)
Operating Profit / (loss)	£43.1m	(£11.0m)
EBITDA as a % of turnover	9.0%	(2.6%)
Number of stores	25	25

Charles Tyrwhitt Shirts Limited

Strategic report (continued)

For the 52 week period ended 30 July 2022

- (i) Earnings before interest, tax, depreciation, amortisation of intangible assets, loan costs and exceptional items outside of the normal course of business. The amortisation of intangible assets totalling £3.0m (see note 12) is split by £1m relating to web & software intangible assets and £2.0m relating to brand and customer relationships and has no cash impact on the company.
- (ii) Given the strong future trading expectations and our confidence here in, this non-recurring income represents the add back from historic, non-cash impairment & onerous lease provisions. The intangible impairment reversal totalling £30.2m is disclosed in note 12.

Future developments

Looking forward, we continue to remain aware of the risks and uncertainties ahead of us. Despite these headwinds, management remain confident that the current strong trading performance seen across all of our sales channels and territories should continue. Our confidence in delivering continued strong performance comes from our powerful brand position and customer service, our compelling on-line proposition and our adaptable product range. As such, we remain well placed to succeed over the medium term. We continue to assess potential new UK store sites, and will consider any future store openings that are economically viable.

Principal risks and uncertainties

As we emerged from the challenges of the Covid pandemic, we continued to consider and plan for the risks of further disruption caused by the virus. Alongside this, we recognise and mitigate against the macro economic risks that now exist, in particular those that are causing disruption to supply chains and exerting inflationary pressure on our cost base.

Although the Covid crisis did negatively impact some of our competitors, the retail sector remains highly competitive with a multitude of retailers competing for consumers' discretionary spend. The company continues to focus on this risk by ensuring that the unique quality and value proposition is maintained, that the product range reflects the latest working trends, that new customers are recruited and existing customers retained. The performance in this regard is regularly monitored through the company's internal processes and reporting.

The company's results can be impacted by the underlying macroeconomic performance of the territories in which it operates. The performance of the economy in our key UK, German, North American and Australian markets impacts consumer spending and therefore affects the performance of the company. The company mitigates its macroeconomic risks by closely monitoring its key territories and considers their performance when appraising future expansion plans.

The company is reliant on certain key suppliers to produce and deliver high quality products synonymous with the Charles Tyrwhitt brand. Therefore, issues arising that may impact our suppliers could subsequently adversely impact our business. To limit this risk, we review our supplier base on a regular basis, and have been fortunate to be able to resume in person meetings, reinforcing these strong relationships.

Further details of specific financial risks faced by the company can be found in the directors' report on page 5.

Section 172 Statement

Charles Tyrwhitt Shirts Limited's ("the company") executive team recognise that strategic decisions are made with both the shareholders and a number of key stakeholders in mind. The content below constitutes our s.172 statement, as required under the Companies (Miscellaneous Reporting) Regulations 2018.

The considerations and actions that were made by the executive team during the year, were made in good faith, to promote the success of the Company for the benefit of its members as a whole, having regard to the stakeholders and matters set out in s172 (of the Companies Act).

Charles Tyrwhitt Shirts Limited

Strategic report (continued)

For the 52 week period ended 30 July 2022

As Directors, our intention is to behave responsibly and ethically at all times, in line with our Company values, and to ensure that our management teams operate the business in a responsible manner and to the highest standards of business conduct and good governance.

Our impact on, and engagement with, several key stakeholder groups are considered within the implementation of strategic decisions. These stakeholder groups are our employees, our suppliers, our customers, our communities, the environment within which we operate and our shareholders.

Our employees are one of the key factors to the success of the Company. Our relationships with these colleagues are vital to developing and harnessing the potential within the business. Employee communication concerning all matters, including company performance, is actively encouraged through formal and informal meetings and an online platform.

We have benefitted from strong, long term partnerships with many of our key suppliers. For our product suppliers in particular, we have been able to return to the face-to-face meetings that have proved so effective in further developing these strong relationships.

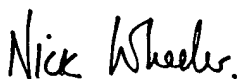
Our customers are the ultimate judge of the success of the company and two-way communication with this group of stakeholders is the basis for long term success. We communicate with our customers regularly and directly through online platforms and we ensure retail and contact centre staff are fully equipped to advise customers through training programmes.

The strength of our relationship with the Princes Trust continues to flourish, with fund raising initiatives continuing throughout the year as well as activities to help young people in the local community.

Decision making in the company continues to increasingly factor in the impact on the environment around us, and this is monitored through our engagement with Planet Mark, an internationally recognised sustainability certification programme. Through this relationship we measure how effectively we are reducing our carbon emissions. The reductions achieved have resulted in the company retaining this certification for two consecutive years, and this remains a commitment going forward.

Our engagement with our stakeholders helps us to better understand what the priorities to each group are, enabling us to better meet the needs of each of the stakeholders whilst seeking to minimise our impact on the environment upon which our decisions have both a direct and indirect impact.

Approved by the Board and signed on its behalf by:



.....
N C T Wheeler
Director
15 November 2022

Registered office

Ground Floor
Cottons Centre
Cottons Lane
London
SE1 2QG

Charles Tyrwhitt Shirts Limited

Directors' report

For the 52 week period ended 30 July 2022

The directors present their Annual Report and the audited financial statements for Charles Tyrwhitt Shirts Limited ("the company") for the 52 week period ended 30 July 2022.

Future developments and events after the balance sheet date

Details of future developments can be found in the strategic report on page 3.

Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements. The directors believe the company to be a going concern, please see note 2 for further disclosure details, thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Results and dividends

The profit and loss account is set out on page 11 and shows the results for the period.

No dividends were paid during the year (2021: nil).

The directors did not propose a dividend after the year end (2021: nil).

Financial risk management

The directors recognise that the company faces a number of financial risks and uncertainties. Certain key risks and how management seek to mitigate these risks are outlined below:

Foreign currency

The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. This is both in terms of inflows from sales in overseas markets and outflows due to the purchase of products in foreign currencies. The company uses forward foreign exchange contracts to manage its cashflow and exposure to movements in foreign exchange rates.

Credit and Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for future developments, the company has access to an RCF loan facility. As at the balance sheet date, none of this facility was drawn down. Given our robust cash and financial position, management foresee no credit risk.

Directors

The directors, who served throughout the period and up to the date of signing the financial statements, were as follows:

N C T Wheeler

P J Higgins

Directors' indemnities

Directors' and officers' insurance cover has been established for all Directors to provide appropriate cover for their reasonable action on behalf of the company. The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Charles Tyrwhitt Shirts Limited

Directors' report (continued)

For the 52 week period ended 30 July 2022

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee consultation

The company places considerable value on the involvement of its employees in the organisation and continues to keep them informed of business performance and matters affecting them as employees. Employee communication concerning all matters, including company performance, is actively encouraged through formal and informal meetings and an online platform. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests. In addition, all employees partake in a bonus scheme related to the overall profitability of the company. There is a clear link between the high performance of our employees and the success of the company, and as such, we are committed to their development and wellbeing.

Energy and carbon reporting

The company recognises the importance of the impact its decision making has on the environment. Significant reductions in the amount of plastic used in product packaging have been made. The company have partnered with Planet Mark, an internationally recognised sustainability certification programme, who monitor the company's carbon emissions and impact on the environment. The company has taken advantage of the exemption in Part 7A of schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 from the carbon reporting disclosure as it is a subsidiary undertaking. The required disclosure of Part 7A of schedule 7 is included in the consolidated financial statements of Bectin Limited, a company incorporated in England and Wales.

Provision of information to auditor

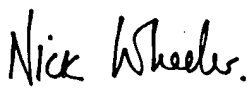
Each of the persons who is a director at the date of approval of this report confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Reappointment of auditor

The auditor, Deloitte LLP, subject to approval from the Board will be proposed for reappointment in accordance with section 485 of the Companies Act 2006. Approved by the Board and signed on its behalf by:


.....

N C T Wheeler
Director
15 November 2022

Registered Office
Ground Floor
Cottons Centre
Cottons Lane
London
SE1 2QG

Charles Tyrwhitt Shirts Limited

Directors' responsibilities statement

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 year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 accounting 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Independent auditor's report to the members of Charles Tyrwhitt Shirts Limited:

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Charles Tyrwhitt Shirts Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30 July 2022 and of its profit for the 52 Week period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 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.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income
- the balance sheet;
- the statement of accounting policies; and
- the related notes 1 to 24.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor's report to the members of Charles Tyrwhitt Shirts Limited (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, FRS102, pension legislation, Tax Legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included Health & Safety regulations, Employment law, Bribery Act and General Data Protection Regulation (GDPR).

We discussed among the audit engagement team, including relevant internal specialists, the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address the fraud risk are described below:

- Non-cash manual adjustments to revenue – In addressing the risk we tested the design and implementation of controls over the approval and recording of journal entries. We also tested a sample of non-cash journal entries to revenue and evaluated the business rationale for these journals by agreeing them to the underlying supporting evidence and calculations; and
- Intangible asset impairment reversal - In addressing the risk we tested the design and implementation of controls over the company's impairment assessment process and the development of the forecasts on which this is based. We engaged valuation specialists to assist in auditing the key assumptions used by management to derive the valuation, tested the inputs within the impairment reversal model, performed sensitivity analysis on the key assumptions, and assessed the model for mathematical accuracy.

Independent auditor's report to the members of Charles Tyrwhitt Shirts Limited (continued)

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

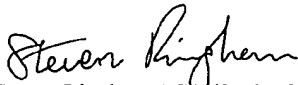
Under the Companies Act 2006 as applied to company we are required to report in respect of the following matters if, in our opinion:

- 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 respect of these matters.

Use of our report

This report is made solely to the company's directors, 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 directors 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 directors as a body, for our audit work, for this report, or for the opinions we have formed.


Steven Ringham ACA (Senior Statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Reading, United Kingdom
Date: 15 November 2022

Charles Tyrwhitt Shirts Limited

Profit and loss account

For the 52 week period ended 30 July 2022

	Note	52 weeks ended 30 July 2022 £ 000	52 weeks ended 31 July 2021 £ 000
Turnover	4	185,177	107,754
Cost of sales		<u>(69,241)</u>	<u>(44,615)</u>
Gross profit		115,936	63,139
Distribution costs		(25,009)	(36,404)
Administrative expenses		(47,871)	(39,638)
Other operating income	7	<u>-</u>	<u>1,921</u>
Operating profit / (loss)		43,056	(10,982)
Other interest receivable and similar income	5	67	74
Interest payable and similar charges	6	<u>(284)</u>	<u>(721)</u>
Profit / (loss) before taxation	7	42,839	(11,629)
Tax on profit/ (loss)	11	<u>(10,973)</u>	<u>1,910</u>
Profit / (loss) for the financial period		<u>31,866</u>	<u>(9,719)</u>

The above results for the period ended 30 July 2022 were derived from continuing operations. All of the profits generated for the year are attributable to the equity shareholders of the company.

The notes on pages 15 to 32 form an integral part of these financial statements

Charles Tyrwhitt Shirts Limited

**Statement of comprehensive income
For the 52 week period ended 30 July 2022**

	52 weeks ended 30 July 2022 £ 000	52 weeks ended 31 July 2021 £ 000
Loss for the financial period	31,866	(9,719)
Profit / (loss) on cash flow hedge	(66)	988
Deferred tax on cash flow hedge	13	(211)
Other comprehensive income / (loss)	(53)	777
Total comprehensive loss	31,813	(8,942)

The notes on pages 15 to 32 form an integral part of these financial statements

Charles Tyrwhitt Shirts Limited

Balance sheet As at 30 July 2022

	Note	30 July 2022 £ 000	31 July 2021 £ 000
Fixed assets			
Intangible assets	12	59,827	31,785
Tangible assets	13	4,144	2,465
		<u>63,971</u>	<u>34,250</u>
Current assets			
Stocks	14	27,714	18,619
Debtors: amounts falling due within one year	15	26,800	23,380
Cash at bank and in hand		18,463	19,403
Derivative financial instruments	23	439	504
Total current assets		<u>73,416</u>	<u>61,906</u>
 Creditors: amounts falling due within one year	16	(67,494)	(44,005)
Provisions for liabilities	17	-	(1,384)
Net current assets		<u>5,922</u>	<u>16,517</u>
Total assets less current liabilities		<u>69,893</u>	<u>50,767</u>
 Creditors: amounts falling due after more than one year	16	-	(15,000)
Provisions for liabilities	17	(13,969)	(11,656)
Net assets		<u>55,924</u>	<u>24,111</u>
Capital and reserves			
Called-up share capital	18	30,451	30,451
Hedging reserve	18	332	385
Profit and loss account	18	25,141	(6,725)
Shareholders' funds		<u>55,924</u>	<u>24,111</u>

The financial statements of Charles Tyrwhitt Shirts Limited (registration number: 2914928) were approved by the board of directors and authorised for issue on 15 November 2022.

Signed on its behalf by:

Nick Wheeler

.....
N C T Wheeler
Director
15 November 2022

The notes on pages 15 to 32 form an integral part of these financial statements

Charles Tyrwhitt Shirts Limited

**Statement of changes in equity
For the 52 week period ended 30 July 2022**

	Note	Called-up share capital £ 000	Capital contribution £ 000	Hedging reserve £ 000	Profit and loss account £ 000	Total £ 000
At 1 August 2020		30,451	-	(392)	2,994	33,053
Loss for the financial period		-	-	-	(9,719)	(9,719)
Gain on cash flow hedge		-	-	988	-	988
Deferred tax on cashflow hedge	17	-	-	(211)	-	(211)
At 31 July 2021		30,451	-	385	(6,725)	24,111
		Called-up share capital £ 000	Capital contribution £ 000	Hedging reserve £ 000	Profit and loss account £ 000	Total £ 000
At 1 August 2021		30,451	-	385	(6,725)	24,111
Profit for the financial period		-	-	-	31,866	31,866
Gain / (loss) on cash flow hedge	23	-	-	(66)	-	(66)
Deferred tax on cashflow hedge	17	-	-	13	-	13
At 30 July 2022		30,451	-	332	25,141	55,924

The notes on pages 15 to 32 form an integral part of these financial statements

Charles Tyrwhitt Shirts Limited

Notes to the financial statements

For the 52 week period ended 30 July 2022

1. General information

Charles Tyrwhitt Shirts Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales.

The address of its registered office is:

Ground Floor
Cottons Centre
Cottons Lane
London
SE1 2QG

The nature of the company's operations and its principal activities are set out in the strategic report on page 2.

2. Accounting policies

Summary of significant accounting policies

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

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the requirements of the Companies Act 2006.

Basis of accounting

These financial statements have been prepared under the historical cost convention except that, as disclosed in the accounting policies, certain items are shown at fair value.

The accounting reference date of the company is 31 July. The financial statements have been prepared for 52 weeks up to 30 July 2022 (2021: 52 weeks up to 31 July 2021), the closest Saturday to 31 July. The functional currency of Charles Tyrwhitt Shirts Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

Charles Tyrwhitt Shirts Limited meets the definition of a qualifying entity under FRS 102 and is consolidated into Bectin Limited (see note 24). It has therefore taken advantage of the disclosure exemptions available to it. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement, intra-group transactions and remuneration of key management personnel.

Going concern

The financial statements have been prepared using the going concern basis of accounting.

As we have emerged from challenges presented by the Covid pandemic, we have seen performance quickly recover. Directors' expectations for the future, while reflecting any global political and economic uncertainties such as those affecting supply chains and causing inflationary pressure on some of our cost base, are for the company to continue with this strong performance.

Charles Tyrwhitt Shirts Limited

Notes to the financial statements

For the 52 week period ended 30 July 2022

2. Accounting policies (continued)

Going concern (continued)

Under both our planning assumptions and associated sensitivities we continue to meet our financial covenants for the period under review, and expect to continue without any of the RCF being drawn down throughout this period. The company prepares a budget and reforecasts throughout the year for which appropriate downside sensitivities are applied.

The Directors therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, and operate within its borrowing facilities and covenants for a period of at least 12 months from the date of signing these financial statements. As Charles Tyrwhitt looks forward its parent company, Bectin Limited, continues to be operationally and financially supportive as is required and committed to the long term success of the business. Accordingly, the financial statements continue to be prepared on the going concern basis.

Revenue recognition

Turnover represents sales to customers at invoiced amounts less value added tax and other sales related taxes. Retail turnover is recognised when the company sells a product to the customer. Web, mail order and wholesale turnover is recognised upon delivery to the customer at which point title passes from the company to the customer.

The company sells retail products with the right of return and experience is used to estimate and provide for the value of such returns at the time of sale when considered significant. Credit note, exchanges or refunds are available to customers returning unwanted products with proof of purchase within six months of the date of receipt.

Sales of gift vouchers are treated as future liabilities and turnover is recognised when the gift vouchers are redeemed against a later transaction.

Government grants

Government grants are recognised only when there is reasonable assurance that the group will comply with the conditions attached to them and that the grants will be received. Government grants are recognised within other operating income in the profit and loss, and in the same period as the related expenditure.

Intangible assets

Intangible fixed assets are initially recognised at fair value. Subsequently intangible fixed assets are stated at cost net of amortisation and any provision for impairment. Amortisation is provided at rates calculated to write off the cost of the intangible fixed assets over their useful lives. The carrying value of intangible fixed assets is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Charles Tyrwhitt Shirts Limited

Notes to the financial statements

For the 52 week period ended 30 July 2022

2. Accounting policies (continued)

Intangible assets (continued)

Asset class	Amortisation rate and method
Goodwill arising on acquisition	20 years straight line
Brand and trademarks	20 years straight line
Customer relationships	20 years straight line
Web and software development	5 years straight line

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired as part of a business combination are measured at fair value at the acquisition date. The carrying amount of the material intangible assets, which includes Brand and trademarks as well as Customer relationships, at the end of the period is £56m and will be fully amortised within 13 years (see note 12).

Useful economic life

Goodwill is amortised over its useful life, which shall not exceed five years if a reliable estimate of the useful life cannot be made. The useful economic life of intangibles recognised on the acquisition of the brand and related assets of Charles Tyrwhitt LLP has been estimated to be 20 years; Charles Tyrwhitt is a well-established brand and the nature of the business and the products being sold help to justify this life.

Tangible assets

All fixed assets are initially recorded at cost. Subsequently tangible fixed assets are stated at cost net of depreciation and any provision for impairment.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation rate and method
Leasehold improvements	10 years straight line
IT equipment	4 years straight line
Fixtures, fittings & equipment	7 years straight line

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss. Similarly, if the fair value indicates that historic impairments are no longer required due to improved financial performance and future projections, an impairment reversal will be recognised as a gain in the profit or loss.

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Charles Tyrwhitt Shirts Limited
Notes to the financial statements (continued)
For the 52 week period ended 30 July 2022

2. Accounting policies (continued)

Financial instruments (continued)

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Financial assets and liabilities

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Derivative financial instruments and hedging

The company uses derivative financial instruments to reduce exposure to foreign exchange risk. The company does not hold or issue derivative financial instruments for speculative purposes. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value by reference to the market rate of forwards supplied by the institution providing the forward contracts at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit and loss account depends on the nature of the hedge relationship.

The company designates certain derivatives as hedging instruments in cash flow hedges. At the inception of the hedge relationship, the entity documents the economic relationship between the hedging instrument and the hedged item, along with its risk management objectives and clear identification of the risk in the hedged item that is being hedged by the hedging instrument. Furthermore, at the inception of the hedge the company determines and documents causes for hedge ineffectiveness.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods in which the hedged item affects profit or loss or when the hedging relationship ends, except for the hedging of inventory purchases when the amount is reclassified from the hedging reserve and included in the cost of inventory at initial recognition.

Stocks

Stocks are stated at the lower of cost and net realisable value on a FIFO basis, with net realisable value being the estimated selling value less costs to complete and sell and cost being based on the cost of purchase.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account. The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Charles Tyrwhitt Shirts Limited

Notes to the financial statements (continued)

For the 52 week period ended 30 July 2022

2. Accounting policies (continued)

Tax (continued)

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Foreign currency transactions and balances

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Leases

The company has no assets which are financed by leasing arrangements that give rights approximating to ownership (finance leases). All the leases are operating leases. Costs in respect of operating leases are charged in arriving at the operating profit on a straight-line basis over the term of the lease.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtors.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities. Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Charles Tyrwhitt Shirts Limited

Notes to the financial statements (continued)

For the 52 week period ended 30 July 2022

2. Accounting policies (continued)

Borrowings (continued)

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges. Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Provisions

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made. The company operates a long-term incentives plan for key management relating to overall performance of the company. A liability is recognised as the cost of the benefit when there is a present legal or constructive obligation to make such payment as a result of a services rendered by employees; and a reliable estimate of the obligation can be made.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

Company Incentive Plan

Management and Shareholders regularly review performance around predetermined incentive targets. As part of that review, an appropriate charge for the year has been reflected in the profit and loss account as at the balance sheet date.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical estimates in applying the company's accounting policies

The following are the critical estimates that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Charles Tyrwhitt Shirts Limited

Notes to the financial statements (continued)

For the 52 week period ended 30 July 2022

Value in use – Onerous lease and Intangible asset impairment

The accounting estimate related to value in use calculations for the onerous lease provision is considered a "critical accounting estimate" because it includes estimates of future store performance. We also consider the value in use calculations for intangible asset impairments to be a "critical accounting estimate" because this will include estimates for the future performance of the business as a whole. Both calculations will also use other key assumptions for example, discount and growth rates. If demand or external factors cause these estimates or assumptions to move, this could cause the value in use calculations to fluctuate accordingly.

Stock and finished goods provision

The accounting estimate related to valuation of stocks is considered a "critical accounting estimate" because it is susceptible to changes from period-to-period due to the requirement for management to make estimates relative to each of the underlying factors, ranging from purchasing, to sales, to production. If actual demand or market conditions differ from estimates, stocks adjustments to lower market values would result in a reduction to the carrying value of stocks, an increase in stocks write-offs and a decrease to gross margins.

Critical judgements in applying the company's accounting policies

The following are the critical judgements that the directors have made in the process of applying the company's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

Reversal of Impairment of Intangible Assets

We consider the reversal of the impairment of intangible assets to be a "critical area of judgement". A fair value assessment indicated that historic impairments are no longer required. As at the balance sheet date an impairment reversal has been recognised as a gain in the profit and loss. The impairment reversal uses a terminal growth rate of 2% and a discount rate of 12% and is disclosed in note 12.

4. Turnover

The analysis of the company's turnover by geographical market is set out below. All turnover relates to the company's principal activity, which was the sale by mail order, retail and the internet of men's apparel and accessories.

	52 weeks ended 30 July 2022 £ 000	52 weeks ended 31 July 2021 £ 000
Turnover:		
United Kingdom	100,129	48,159
Rest of the world	85,048	59,595
	<u>185,177</u>	<u>107,754</u>

5. Other interest receivable and similar income

	52 weeks ended 30 July 2022 £ 000	52 weeks ended 31 July 2021 £ 000
Interest on intercompany balances	67	74
	<u>67</u>	<u>74</u>

Charles Tyrwhitt Shirts Limited

Notes to the financial statements (continued) For the 52 week period ended 30 July 2022

6. Interest payable and similar expenses

	52 weeks ended 30 July 2022 £ 000	52 weeks ended 31 July 2021 £ 000
Bank interest paid and loan arrangement fees	284	721

7. Loss before taxation

Loss before taxation is stated after (crediting)/charging:

	52 weeks ended 30 July 2022 £ 000	52 weeks ended 31 July 2021 £ 000
Foreign exchange losses / (gain)	103	(234)
Operating lease expense	7,203	5,749
Cost of stocks recognised as an expense	68,432	44,351
(Decrease) of stock provision recognised	(1,136)	(678)
Staff costs (see note 8)	26,816	19,227
Depreciation of tangible fixed assets (see note 13)	1,658	2,084
Loss on disposal of tangible fixed assets (see note 13)	-	401
Reversal of impairment of intangible assets*	(30,182)	-
Amortisation of intangible assets (see note 12)	2,977	2,906
Reversal of impairment of tangible assets (see note 13)*	(1,737)	(451)
Onerous lease costs (see note 17)*	(6,743)	6,353

* Non-recurring costs for the year (set out on page 3).

8. Staff costs

The average monthly number of employees (including executive directors) was:

	Number of employees 30 July 2022	Number of employees 31 July 2021
Sales and marketing distribution	438	421
Management and administration	177	178
	614	599

Their aggregate remuneration comprised:

	52 weeks ended 30 July 2022 £ 000	52 weeks ended 31 July 2021 £ 000
Wages and salaries	24,146	16,960
Social security costs	1,924	1,565
Pension costs defined contribution scheme	746	702
	26,816	19,227

Charles Tyrwhitt Shirts Limited

Notes to the financial statements (continued) For the 52 week period ended 30 July 2022

9. Management charges and transactions with directors

The directors receive remuneration from related group companies which recharge an element of this to the company in the form of management charges. The recharge reflects the services the director provided to the company during the year.

The average monthly number of directors was two (2021: two).

Management charges that relate to the directors in the period were as follows:

	52 weeks ended 30 July 2022 £ 000	52 weeks ended 31 July 2021 £ 000
Management charges (see note 22)	215	198

10. Auditor's remuneration

Fees payable to the auditor of the company's annual accounts were £99,000 (2021: £90,000). See table below for analysis.

	52 weeks ended 30 July 2022 £ 000	52 weeks ended 31 July 2021 £ 000
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	99	90
Total audit fees	99	90
Taxation advisory services / Store turnover certificates	3	19
Total non-audit fees	3	19

11. Tax on profit/(loss)

	52 weeks ended 30 July 2022 £ 000	52 weeks ended 31 July 2021 £ 000
Current taxation		
UK corporation tax	3,526	(1,507)
UK corporation tax adjustment to prior periods	(238)	(1,183)
	3,288	(2,690)
Deferred tax		
Origination and reversal of timing differences	7,312	(339)
Effect of changes in tax rates	373	1,119
Total deferred tax	7,685	780
Total tax on profit/(loss)	10,973	(1,910)

Charles Tyrwhitt Shirts Limited

Notes to the financial statements (continued)

For the 52 week period ended 30 July 2022

11. Tax on profit/(loss) (continued)

The total tax on profit/(loss) consists of both corporation tax and deferred tax. The tax on profit/(loss) before tax for the period is in line with the standard rate of corporation tax in the UK of 19% (2021: 19%). Deferred tax balances have been calculated using 24.33% (2021: 23.67%), reflecting tax rates in future years. Tax losses carried forward are nil as at the balance sheet date (2021: £46,000).

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit/(loss) before tax is as follows:

	52 weeks ended 30 July 2022 £ 000	52 weeks ended 31 July 2021 £ 000
Profit / (loss) before tax	42,839	(11,629)
Tax on profit/(loss) at standard UK corporation tax rate of 19% (2021: 19%)	8,139	(2,209)
Effects of:		
Adjustment to tax charge in respect of previous periods	(238)	(1,183)
Non-deductible expenses	1,164	(1)
Reversal of intangible asset impairment on which no tax payable	(5,735)	-
Depreciation of assets not qualifying for capital allowances	7,270	364
Effect of the change in tax rate	373	1,119
Tax for the period	10,973	(1,910)

In the 2021 UK Budget the Chancellor announced an increase to UK corporation tax from 19% to 25% for the financial year beginning 1 April 2023.

Charles Tyrwhitt Shirts Limited

Notes to the financial statements (continued)
For the 52 week period ended 30 July 2022

12. Intangible assets

	Goodwill arising on acquisition	Brand and trademarks	Customer relationships and workforce	Web & software	Assets in the course of construction (Web & Software)	Total
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
Cost or valuation						
At 1 August 2021	50,844	83,372	6,177	8,653	-	149,046
Additions	-	-	-	770	67	837
At 30 July 2022	50,844	83,372	6,177	9,423	67	149,883
Amortisation						
At 1 August 2021	50,844	57,517	4,262	4,638	-	117,261
Charge for the year	-	1,847	137	993	-	2,977
Impairment	-	(30,182)	-	-	-	(30,182)
At 30 July 2022	50,844	29,182	4,399	5,631	-	90,056
Net book value						
At 30 July 2022	-	54,190	1,778	3,792	67	59,827
At 1 August 2021	-	25,855	1,915	4,015	-	31,785

No intangible assets are pledged as security for liabilities. As at the period end the company has reviewed historic impairments in response to an improvement in business performance and an improved future outlook. As a result of this, the company has elected to reverse the impairment of the brand asset which had been fully written down in prior periods.

Charles Tyrwhitt Shirts Limited

Notes to the financial statements (continued)
For the 52 week period ended 30 July 2022

13. Tangible assets

	Leasehold improvements	IT equipment	Fixtures, fittings & equipment	Assets in the course of construction	Total
	£ 000	£ 000	£ 000	£000	£ 000
Cost					
At 1 August 2021	6,257	2,246	6,784	-	15,287
Additions	843	386	250	121	1,600
At 30 July 2022	7,100	2,632	7,034	121	16,887
Depreciation					
At 1 August 2021	5,053	1,916	5,853	-	12,822
Charge for the year	594	347	717	-	1,658
Impairment	(921)	(5)	(811)	-	(1,737)
At 30 July 2022	4,726	2,258	5,759	-	12,743
Net book value					
At 30 July 2022	2,374	374	1,275	121	4,144
At 1 August 2021	1,204	330	931	-	2,465

Revised forecasts of future earnings in the stores have resulted in the reversal of impairment of some of the carrying values relating to retail stores. No tangible assets are pledged as security for liabilities.

Charles Tyrwhitt Shirts Limited

Notes to the financial statements (continued) For the 52 week period ended 30 July 2022

14. Stocks

	30 July 2022 £ 000	31 July 2021 £ 000
Finished goods and goods for resale	28,865	21,061
Stock provision	(1,151)	(2,442)
	<u>27,714</u>	<u>18,619</u>

There are no material differences between the replacement cost of stocks and the amounts stated above.

15. Debtors: amounts falling due within one year

	30 July 2022 £ 000	31 July 2021 £ 000
Trade debtors	2,426	1,699
Amounts owed by group undertakings	20,144	19,595
Prepayments and accrued income	3,794	1,690
Other debtors	436	396
	<u>26,800</u>	<u>23,380</u>

Trade debtors includes £1.8m of customer receipts in transit (2021: £1.5m). No repayment terms exist in respect of the amounts owed by group undertakings and interest is charged at a rate of Sonia + 2.5%.

16. Creditors: amounts falling due within one year

	30 July 2022 £ 000	31 July 2021 £ 000
Trade creditors	14,313	7,718
Corporation tax liability	1,428	193
Loans and borrowings (see note 19)	-	6,000
Social security and other taxes	2,695	2,220
Other creditors	3,264	2,234
Customer returns provision	2,385	1,336
Accruals	41,788	22,095
Amounts due to related parties	1,620	2,209
	<u>67,494</u>	<u>44,005</u>

Other creditors include a balance of £2.1m (2021: £1.7m) in relation to gift vouchers issued but not redeemed. No repayment terms exist in respect of the amounts owed to related parties and balances are non-interest bearing.

	30 July 2022 £ 000	31 July 2021 £ 000
Creditors: amounts falling due after more than one year		
Loans and borrowings (see note 19)	-	15,000
	<u>-</u>	<u>15,000</u>

Charles Tyrwhitt Shirts Limited

Notes to the financial statements (continued)

For the 52 week period ended 30 July 2022

17. Provisions for liabilities

	30 July 2022 £ 000	31 July 2021 £ 000
Deferred tax	13,505	5,832
Dilapidations	464	464
Onerous lease costs	-	6,743
Provisions	13,969	13,039

Current liabilities

Onerous lease costs	-	1,384
	-	1,384

Non- current liabilities

Onerous lease costs	-	5,360
Other provisions	13,969	6,296
	13,969	11,656

Deferred tax

Deferred tax is provided for as follows

	30 July 2022 £ 000	31 July 2021 £ 000
At start of year	5,832	4,841
Intangibles	7,047	919
Hedge reserve	(13)	211
Accelerated capital allowances	639	(139)
Provision for deferred tax	13,505	5,832

	30 July 2022 £ 000	31 July 2021 £ 000
Timing differences relating to fixed assets	(222)	(860)
Cashflow hedges	107	119
Intangibles	13,620	6,573
Provision for deferred tax	13,505	5,832

The movement of deferred tax on intangibles is due to the reversal of a prior period impairment of intangible assets referenced in "critical judgements" (see note 3).

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. The amount of deferred tax expected to reverse in relation to the business combination in the next 12 months totals £1,048,000.

Charles Tyrwhitt Shirts Limited

Notes to the financial statements (continued)

For the 52 week period ended 30 July 2022

17. Provisions for liabilities (continued)

Dilapidations

This provision is in respect of reinstatement obligations related to leasehold properties and will be utilised within four years.

	30 July 2022 £ 000	31 July 2021 £ 000
Provision for dilapidations	464	464

Onerous lease costs

This provision is in respect of losses on onerous property leases and will be utilised within seven years.

	30 July 2022 £ 000	31 July 2021 £ 000
At start of year	6,743	4,791
(Released) / additional provision in the year	(6,743)	6,353
Utilised in the year	-	(4,401)
Provision for onerous lease costs	-	6,743

18. Called-up share capital

Allotted and called up

	At 30 July 2022		31 July 2021	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £1 each	30,451	30,451	30,451	30,451

The company has one class of ordinary shares, which carry no right to fixed income.

	£ 000
At 31 July 2021	30,451
At 30 July 2022	30,451

The company's other reserves are as follows:

Capital contribution

As required by FRS 102, the company accounted for the business combination in the year 2016 using the "purchase method". As a result of the transaction being at book value and there being no cash or other deferred consideration, there is an imputed capital contribution from the shareholders reflecting the difference between the book values acquired and their fair values. This was transferred to the profit and loss reserve in the period ending 1 August 2020.

Charles Tyrwhitt Shirts Limited

Notes to the financial statements (continued)

For the 52 week period ended 30 July 2022

18. Called-up share capital (continued)

Hedging reserve

The hedging reserve represents the cumulative portion of gains and losses on hedging instruments deemed effective in hedging variable interest rate risk of recognised financial instruments or foreign exchange risk in firm commitments or highly probable forecast transactions. Amounts accumulated in this reserve are reclassified to profit and loss account in the periods in which the hedged item affects profit or loss or when the hedging relationship ends.

Profit and loss

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

19. Loans and borrowings

Borrowings are repayable as follows:

	30 July 2022 £ 000	31 July 2021 £ 000
Bank loans		
Between one and two years	-	15,000
Between two and five years	-	-
	-	15,000
On demand or within one year	-	6,000
	-	21,000

On 16 November 2021, the company secured a £15m three year RCF loan facility of which nil was drawn down by year end (FY21: £21m)

Interest is payable on the bank loan at a variable rate of Sonia + 2.5%

20. Obligations under operating leases

Operating leases - land and buildings

The total of future minimum lease payments is as follows:

	30 July 2022 £ 000	31 July 2021 £ 000
Within one year	6,684	6,825
In two to five years	21,422	23,148
After five years	5,181	8,139
	33,287	38,112

Charles Tyrwhitt Shirts Limited

Notes to the financial statements (continued)

For the 52 week period ended 30 July 2022

21. Commitments

Pension commitments

The company operates a defined contribution pension scheme. Contributions during the year totalled £746,000 (2021: £702,000). The unpaid contributions outstanding at the period end were £66,000 (2021: £58,000).

Company Incentive Plan

Business incentives are kept under review, as and when financial performance dictates we recognise that commitment in our accounts. The unpaid incentive payments accrued at the year end were £7.6m (2021: £nil).

22. Related party transactions

On 2 August 2015 the trade and certain assets of Charles Tyrwhitt LLP were transferred to Charles Tyrwhitt Shirts Limited. This has given rise to a balance, on which no interest is due, owed by Charles Tyrwhitt Shirts Limited to Charles Tyrwhitt LLP, of which £1,072,515 remains at the balance sheet date. During the year, payments made up of members interests were paid to members and former members of Charles Tyrwhitt LLP totalling £181,000.

Bectin Limited controls the company as a result of owning 95% of the issued share capital at the year end date. On 31 October 2015 an allotment of 28,928,785 shares was made from Charles Tyrwhitt Shirts Limited to Bectin Limited. This resulted in an amount owed from Bectin Limited to Charles Tyrwhitt Shirts Limited, the balance of which was £16,814,000 at the balance sheet date. Management fees totalling £153,000 (2021: £148,000) were paid to Bectin Limited from Charles Tyrwhitt Shirts Limited during the year.

On 31 October 2015 an allotment of 1,522,515 shares was made from Charles Tyrwhitt Shirts Limited to P&H Higgins Limited. This resulted in an amount owed from P&H Higgins Limited to Charles Tyrwhitt Shirts Limited, the balance of which was £889,000 at the balance sheet date. Management fees totalling £61,000 (2021: £50,000) were paid to P&H Higgins Limited from Charles Tyrwhitt Shirts Limited during the year.

During the year, Charles Tyrwhitt Shirts Limited sold goods and services to Charles Tyrwhitt Inc., a company incorporated in the State of Delaware, United States of America, of which N C T Wheeler is the controlling shareholder and P J Higgins is a shareholder. The total net value of stock transactions between the two entities during the year was £900,000 (2021: £1,266,000). Charles Tyrwhitt Shirts Limited also recharges Charles Tyrwhitt Inc. for certain services during the year, the recharge amount was £995,000 (2021: £582,000). Charles Tyrwhitt Inc. also recharges Charles Tyrwhitt Shirts Limited for certain services during the year, the recharge amount was £1,009,846 (2021: £4,168,000). At the balance sheet date, a net amount of £2,441,000 was owed to Charles Tyrwhitt Shirts Limited (2021: £1,891,000). The interest on the balance throughout the year was £76,000 (2021: £58,000).

During the year Charles Tyrwhitt Shirts Limited sold goods and services to Charles Tyrwhitt Sarl, a company incorporated in France, of which N C T Wheeler is the controlling shareholder and P J Higgins is a shareholder. The total value of stock transactions between the two entities during the year was £323,000 (2021: £197,000). Charles Tyrwhitt Shirts Limited also recharges Charles Tyrwhitt Sarl for certain services during the year, the recharge amount was £107,000 (2021: £86,000). At the balance sheet date a net amount of £548,000 was owed to Charles Tyrwhitt Sarl (2021: £955,000). The interest on the balance throughout the year was £20,000 (2021: £25,000).

Charles Tyrwhitt Shirts Limited

Notes to the financial statements (continued)
For the 52 week period ended 30 July 2022

23. Derivative financial instruments

Forward foreign currency contracts

The following table details the forward foreign currency contracts outstanding as at the period-end:

Forward foreign exchange contracts	Principal		Fair value	
	30 July 2022	31 July 2021	30 July 2022	31 July 2021
	£ 000	£ 000	£ 000	£ 000
Due within one year	19,500	15,781	384	468
Due after more than one year	10,635	3,153	55	36
	30,135	18,934	439	504

The company has entered into forward foreign currency contracts to hedge the exchange rate risk arising from these anticipated future transactions, which are designated as cash flow hedges. The hedged cash flows are expected to occur and to affect the profit and loss account within the next two financial years. The average forward contract rate in the year for sales of euros is 1.53, for sales of Australian dollar 1.794 and the average forward contract rate for buying US dollars is 1.41.

As at the balance sheet date, gains of £439,000 are recognised in other comprehensive income (2021: gains of £504,000) and hedge ineffectiveness resulting in a loss of £66,000 (2021: gain of £988,000) was reclassified to profit and loss in the year.

24. Parent and ultimate controlling party

In the opinion of the directors, the company's ultimate and immediate parent company and ultimate controlling party is Bectin Limited, a company incorporated in the United Kingdom. Bectin Limited is the parent undertaking of both the smallest and largest group in which the results of the company are consolidated. The registered office for Bectin Limited is Forward House, 8 Duke Street, Bradford, West Yorkshire, United Kingdom, BD1 3QX.

Copies of the consolidated financial statements of Bectin Limited may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ, United Kingdom.