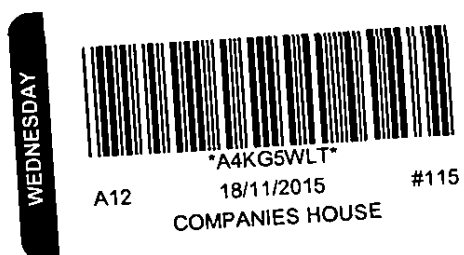


Registered number 6587828

Jaeger London Limited  
Annual report and financial statements  
for the period ended 28 February 2015



# **Jaeger London Limited**

## **Annual report and financial statements for the period ended 28 February 2015**

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# **Jaeger London Limited**

## **Directors and advisers for the period ended 28 February 2015**

### **Directors**

N I B Sanders (resigned 23 June 2014)  
F M Timothy (resigned 26 March 2014)  
C G Henry (resigned 12 September 2015)  
T C A Wright  
R L Kozłowski (resigned 22 July 2014)  
M N K Aldridge (appointed 18 June 2014, resigned 29 April 2015)  
H S Atwal (appointed 22 July 2014)  
P W Williams (appointed 25 November 2014, resigned 15 May 2015)  
S C Pilling (appointed 29 April 2015)

### **Company secretaries**

R M Warwick-Saunders

### **Registered office**

Jaeger House  
57 Broadwick Street  
London  
W1F 9QS

### **Independent auditor**

KPMG LLP  
Botanic House  
100 Hills Road  
Cambridge  
CB2 1AR

### **Solicitors**

Macfarlanes  
20 Curistor Street  
London  
EC4A 1LT

### **Bankers**

Lloyds Bank Plc  
25 Gresham Street  
London  
EC2 7HN

## Jaeger London Limited

### Strategic report for the period ended 28 February 2015 (continued)

#### Principal activity and review of the business

The principal activity of the group and company is the retailing and wholesaling of Jaeger womenswear and menswear fashion products

Total sales increased 6% to £84.2m for the full period, up 8% on a like-for-like basis. This was supported by strong trading online where sales increased by 42% compared to the same period last year. This increase was driven by continued investment into the online platform over the financial period with mobile and tablet sales increasing from 29% to 36% of all online sales. This investment has continued in the current period with a new website launched in February 2015 and we expect online sales to continue to grow at double digit rates for the next few years. Our new concept stores in the King's Road Chelsea (opened in September 2014) and Belfast (opened in November 2014) have both performed ahead of the chain since launch and offer an encouraging blueprint for future store openings. This concept will be rolled out into further new store openings in the current financial year starting with the relocation of the Edinburgh store.

Trading over the last financial period was impacted by the mild weather experienced in September and October impacting the coats and knitwear categories in particular. This was compounded by competitor activity which resulted in more stock being held by the business leading up to the Christmas sale period. The business was able to successfully trade the stock and end the financial period with less aged stock than the prior year however this came at the expense of margin with the gross margin reducing from 56% to 54%. Womenswear sales were 4% ahead of last year, driven by strong sales in Outerwear (+20%) and Knitwear (+9%) offset by reduction in Dresses (-15%). Menswear sales were 15% ahead of last year, following strong sales in Suits (+10%), Shirts (+8%) and Jackets (+31%).

Closing stock levels were higher than last year, reflecting the earlier intake of Spring Summer 15 stock leading up to the period end.

Gross margin percentage was down 2% on the year, primarily due to the additional markdown activity required for the period end sale.

The main KPI's that the business uses to measure its performance are sales revenue, gross margin, EBITDA excluding exceptional items and operating cash flow. The results for these measures for the period are shown below.

#### Financial results

	<b>Period ended 28 February 2015 £'000</b>	<b>Period ended 1 March 2014 £'000</b>
Revenue	84,188	79,426
Gross profit	45,325	44,389
<i>Gross profit margin</i>	54%	56%
Operating loss	(7,005)	(9,770)
EBITDA (excluding exceptional items)	(4,071)	(2,558)

## Jaeger London Limited

### Strategic report for the period ended 28 February 2015 (continued)

#### Financial results (continued)

During the period, the Jaeger group of companies have received a total of £16.0m of further investment from the ultimate parent BECAP12 GP Limited. The investment was used to refurbish existing stores and roll-out new stores, continue IT and website improvements and fund working capital.

Subsequent to the period end the Jaeger group of companies have received an additional £10.0m of investment from the ultimate parent BECAP12 GP Limited to further invest in capital expenditure and fund working capital. The investment represents a continued endorsement of the business by its investors.

#### Principal risks and uncertainties

The company's principal business risks are summarised below, together with the key processes which are in place to monitor and manage them.

##### Market risks

The markets we serve are subject to fluctuation in demand by customers, which are linked to the wider economic environment. The company monitors market development and reflects these in its business planning processes.

##### Operational risks

Operational risks refers to the risk of financial loss from issues relating to internal process, people and systems. The company manages this area of risk through internal controls and intervention when required, together with management reporting systems and appropriate insurance cover.

##### Liquidity risks

Liquidity risk refers to the risk that the company may be unable to fund its ongoing cash requirements. The company manages and monitors its liquidity position using treasury tools such as rolling cash flow forecasts and regular cash reviews.

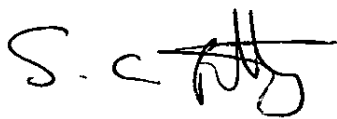
##### Foreign exchange risks

The group has exposure to a number of foreign currencies through its purchase and sale of products and operating branches outside of the UK. Exposure is principally to Euros, and Canadian, US and Hong Kong Dollars. The group takes out forward foreign currency contracts to mitigate the risk.

##### Credit risks

The group has exposure to credit risk principally arising from sales to department stores and wholesale and franchise customers. This is mitigated by credit checks on new customers and close monitoring of individual accounts.

The directors are satisfied that the appropriate processes are in place to monitor the risks facing the company.



S C Pilling  
Director  
19 October 2015

# **Jaeger London Limited**

## **Directors' report for the period ended 28 February 2015**

The directors present their report and the audited consolidated financial statements of the company and the group for the period from 2 March 2014 to 28 February 2015. The comparable period is from 24 February 2013 to 1 March 2014.

### **Results and dividends**

The group loss for the financial period after taxation was £7,039,325 (2014 loss £9,866,670). The directors do not recommend the payment of a dividend (2014 £nil) and accordingly the retained loss for the financial period of £7,039,325 (2014 loss £9,866,670) has been transferred to reserves.

### **Directors**

The directors who held office during the period and subsequent to the period end are given below:

N I B Sanders (resigned 23 June 2014)  
F M Timothy (resigned 26 March 2014)  
C G Henry (resigned 12 September 2015)  
T C A Wright  
R L Kozłowski (resigned 22 July 2014)  
M N K Aldridge (appointed 18 June 2014, resigned 29 April 2015)  
H S Atwal (appointed 22 July 2014)  
P W Williams (appointed 25 November 2014, resigned 15 May 2015)  
S C Pilling (appointed 29 April 2015)

Subsequent to the period end, on 12 September 2015 Colin Henry stepped down from his position as Chief Executive with immediate effect. The company has a highly experienced executive team who will lead the business with the full support and assistance from Better Capital whilst a new Chief Executive is appointed.

### **Charitable and political donations**

A charitable donation of £14,001 was made in the period (2014 £1,724). No political donations were made during the period (2014 £nil).

### **Employees**

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business unit and of the company as a whole. Communication with all employees continues through internal newsletters, briefing groups and electronic communications. The group encourages the involvement of its employees in the group's performance through its bonus scheme.

## **Jaeger London Limited**

### **Directors' report for the period ended 28 February 2015 (continued)**

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the Strategic Report, 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 group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice). 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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and parent company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They 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.

#### **Disclosure of information to auditor**

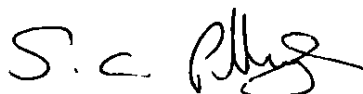
The directors that held office at the date of approval of this directors report confirm that

- 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 in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information

#### **Independent 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



S C Pilling

Director

19 October 2015

## **Independent auditors' report to the members of Jaeger London Limited**

We have audited the financial statements of Jaeger London Limited for the period ended 28 February 2015 set out on pages 7 to 24. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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.

### **Respective responsibilities of directors and auditor**

As explained more fully in the statement of directors' responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group's and of the parent company's affairs as at 28 February 2015 and of the group's loss for the period then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

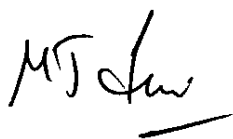
### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion 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.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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.



Matthew Lewis (Senior Statutory Auditor)

For and on behalf of KPMG LLP

Chartered Accountants

100 Hills Road

Cambridge

CB2 1AR

19 October 2015



# Jaeger London Limited

## Consolidated profit and loss account for the period ended 28 February 2015

	Note	Period ended 28 February 2015 £'000	Period ended 1 March 2014 £'000
<b>Turnover</b>	1	84,188	79,426
Cost of sales excluding exceptional costs		(38,863)	(33,302)
Cost of sales - exceptional items	9	-	(1,735)
<b>Total cost of sales</b>		<b>(38,863)</b>	<b>(35,037)</b>
<b>Gross profit</b>		<b>45,325</b>	<b>44,389</b>
Administrative expenses excluding exceptional items		(52,602)	(51,509)
Administrative expenses - exceptional items	9	(383)	(3,282)
		<b>(52,985)</b>	<b>(54,791)</b>
<b>Other operating income</b>		<b>655</b>	<b>632</b>
<b>Operating loss</b>		<b>(7,005)</b>	<b>(9,770)</b>
Interest receivable and similar income	3	2	-
Interest payable and similar charges	3	(36)	(97)
<b>Loss on ordinary activities before taxation</b>	2	<b>(7,039)</b>	<b>(9,867)</b>
Tax on loss on ordinary activities	7	-	-
<b>Loss for the financial period</b>		<b>(7,039)</b>	<b>(9,867)</b>

The above results relate to continuing operations in both the current and previous period

The company has no recognised gains and losses other than the loss above and therefore no separate statement of total recognised gains and losses have been presented

There is no difference between the loss on ordinary activities before taxation and the loss for the financial period stated above and their historical cost equivalents

The notes on pages 9 to 24 form an integral part of these financial statements

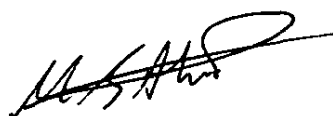
# Jaeger London Limited

## Balance sheet as at 28 February 2015

	Note	Group 28 February 2015 £'000	Company 28 February 2015 £'000	Group 1 March 2014 £'000	Company 1 March 2014 £'000
<b>Fixed assets</b>					
Investments	11	-	22,710	-	22,710
Tangible assets	10	9,439	-	7,023	-
		<b>9,439</b>	<b>22,710</b>	<b>7,023</b>	<b>22,710</b>
<b>Current assets</b>					
Stocks	12	9,389	-	8,233	-
Debtors	13	5,335	148	5,559	12,461
Cash at bank and in hand		3,069	-	1,443	-
		<b>17,793</b>	<b>148</b>	<b>15,235</b>	<b>12,461</b>
<b>Creditors falling due within one year</b>	14	(53,460)	(404)	(39,782)	(1,494)
<b>Net current (liabilities)/assets</b>		<b>(35,667)</b>	<b>(256)</b>	<b>(24,547)</b>	<b>10,967</b>
<b>Total assets less current liabilities</b>		<b>(26,228)</b>	<b>22,454</b>	<b>(17,524)</b>	<b>33,677</b>
<b>Provision for liabilities and charges</b>	16	(5,192)	-	(6,328)	-
<b>Net (liabilities)/assets</b>		<b>(31,420)</b>	<b>22,454</b>	<b>(23,852)</b>	<b>33,677</b>
<b>Capital and reserves</b>					
Called up share capital	17	4,103	4,103	4,103	4,103
Share premium	18	20,971	20,971	20,971	20,971
Merger reserve	18	(27,886)	-	(27,886)	-
Hedging reserve	18	(529)	-	-	-
Profit and loss account	18	(28,079)	(2,620)	(21,040)	8,603
<b>Total shareholders' (deficit)/funds</b>	19	<b>(31,420)</b>	<b>22,454</b>	<b>(23,852)</b>	<b>33,677</b>

The notes on pages 9 to 24 form an integral part of these financial statements

The financial statements on pages 7 to 24 were approved by the board of directors on 19 October 2015 and were signed on its behalf by



H S Atwal  
Director

# **Jaeger London Limited**

## **Statement of accounting policies**

The principal accounting policies, which have been consistently applied, are set out below

### **Basis of accounting**

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable UK accounting standards

The financial statements have been prepared on the going concern basis, which the directors believe to be appropriate for the following reasons. The company is dependent for its working capital on funds provided to it by BECAP12 GP Limited, the ultimate parent company. The board of BECAP12 GP Limited have provided the company with an undertaking that, for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company and will not seek repayment of amounts currently made available.

This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on another company for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of the financial statements, they have no reason to believe that it will not do so and thus they continue to adopt the going concern basis of accounting.

The company has taken advantage of the exemption under S408 of the Companies Act 2006 from the requirement to present its own profit and loss account.

### **Cash flow statement**

The company is a wholly owned subsidiary of Jaeger Limited and is included in its consolidated financial statements, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 'cash flow statements' (revised 1996).

### **Turnover**

Turnover represents the invoiced value of goods supplied to third parties and other group companies net of returns and value added tax. Turnover is recognised at the point of sale to the customer.

### **Royalty and licensing income**

Royalty and licensing income represents amounts earned under agreements with third parties for the sale of Jaeger products or the use of the Jaeger brand name. Income is recognised on an accruals basis and is included within other operating income.

### **Management charges**

Management charges are recognised within turnover and accounted for in the period to which it relates.

### **Operating leases**

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term.

### **Lease premiums**

Lease premiums arising on the re-negotiation of property leases are recognised within other operating income in the year they are received.

### **Exceptional items**

The group classifies as exceptional those significant items that are a one-off in nature and do not reflect the underlying performance of the group.

# Jaeger London Limited

## Statement of accounting policies (continued)

### Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax is measured on a non-discounted basis.

Deferred tax assets are recognised only to the extent that they are regarded as recoverable such that it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

### Investments in subsidiary undertakings

The cost of investments in subsidiary undertakings is recorded as cash paid and any further costs connected with the acquisition. Provision is made where necessary to reduce the carrying value of an investment to its estimated recoverable amount where in the opinion of the directors, there has been impairment.

### Tangible fixed assets and depreciation

Tangible fixed assets are stated at their historic purchase cost, less accumulated depreciation and, where appropriate, provision for impairment. Costs includes the original purchase price of the asset and the cost of getting the asset to its working condition for its intended use. Depreciation is calculated so as to write-off the cost of the assets, less their estimated residual value, on a straight-line basis, over their estimated useful economic lives. The estimated useful economic lives are:

Short leasehold properties	over period of lease
Fixtures, fittings and office equipment	4-5 years

### Stocks

Stocks are stated at the lower of weighted average cost and net realisable value. Costs represent all direct costs incurred in bringing stocks to their present state and location. Net realisable value is based on estimated selling price less further costs to be incurred to completion and disposal. Where necessary, provision is made for obsolete, slow moving and defective stocks.

### Foreign currencies

Monetary assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date or at the agreed contractual rate. Transactions in foreign currency are translated at the rate ruling at the date of the transaction. All differences on exchange are taken to the profit and loss account in the period in which they arise.

### Onerous lease provision

Provision is made for future lease commitments on sites no longer used within the business, and onerous contracts.

### Dilapidation provision

Provision is made for the company's obligations to maintain properties to a standard as required by the leases to which it is a party.

### Store closure provisions

Provision is made for the costs of closing a store once the decision to close has become irreversible. Provision is also made for onerous lease commitments and dilapidation payments that have accrued on the closed store. Other holding costs of the store continue to be charged to the profit and loss account as incurred until disposal.

# **Jaeger London Limited**

## **Statement of accounting policies (continued)**

### **Finance leases**

Leases are classified as finance leases where the terms of the lease transfer substantial all the risks and rewards of ownership to the Group. All other leases are classified as operating leases.

Property, plant and equipment held under finance leases are capitalised in the balance sheet at fair value of leased assets, or if lower, the present value of the minimum lease payments. Assets are depreciated over the shorter of their lease term and their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

### **Pensions**

The group operates two defined contribution pension schemes which employees are eligible to join after three months employment. The costs relating to this scheme are charged to the profit and loss accounts as they fall due. The company provides no other post-retirement benefits to its employees.

### **Financial Instruments: Disclosures**

The company has taken advantage of the exemption available under FRS29 to not publish the full disclosure required under the standard on account of the fact that it is a subsidiary of Jaeger Limited owning over 0% of the voting rights, and it is included within the consolidated financial statements of that company.

### **Derivative financial instruments and hedging**

#### *Derivative financial instruments*

The group enters into a number of future foreign currency deals to minimise exposure to the fluctuations in exchange rates. These are recognised in the balance sheet as a derivative financial instrument. Derivative financial instruments are recognised at fair value. The gain or loss on re-measurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see below).

#### *Cash flow hedges*

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in the hedging reserve. Any ineffective portion of the hedge is recognised immediately in the income statement.

When a hedging instrument expires or is sold, terminated or exercised, or the group revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the income statement immediately.

# Jaeger London Limited

## Notes to the financial statements for the period ended 28 February 2015

### 1 Turnover

The turnover, loss and net (liabilities)/assets arise in the United Kingdom from the principal activity of the group, which is retailing and wholesaling of Jaeger womenswear and menswear fashion products. The analysis of turnover by geographical destination is

	Period ended 28 February 2015 £'000	Period ended 1 March 2014 £'000
<b>Group</b>		
United Kingdom	79,119	74,287
Rest of Europe	4,016	4,054
Rest of the World	1,053	1,085
<b>Total Turnover</b>	<b>84,188</b>	<b>79,426</b>

### 2 Loss on ordinary activities before taxation

	Period ended 28 February 2015 £'000	Period ended 1 March 2014 £'000
<b>Group:</b>		
<b>Loss on ordinary activities before taxation is stated after charging/(crediting):</b>		
Depreciation on tangible fixed assets	2,298	2,195
Loss on disposal of tangible fixed assets	254	394
Operating lease rentals		
- Land and buildings	8,277	8,497
- Others	110	47
Royalty and licensing income	(159)	(146)
Lease premium income	(96)	(50)
Related party income from liquidation payment	(182)	-
IT services provided	-	(72)
Rental income	(218)	(364)
Provision for loyalty scheme	-	(91)
Provision for onerous leases	(812)	(2,147)
Provision for dilapidations	(324)	36
Fees payable to the company's auditors for the audit of the annual financial statements	46	45
Fees payable to the company's auditors for other services		
- Tax services	16	16

# Jaeger London Limited

## Notes to the financial statements for the period ended 28 February 2015 (continued)

### 3 Interest

	Period ended 28 February 2015 £'000	Period ended 1 March 2014 £'000
<b>Group:</b>		
<b>Interest receivable and similar income:</b>		
Interest receivable on bank deposits	2	-
<b>Total interest receivable and similar income</b>	<b>2</b>	<b>-</b>
<b>Interest payable and similar charges</b>		
Interest payable on bank loans and overdrafts	(16)	(3)
Interest payable on finance leases	(20)	(94)
<b>Total interest payable and similar charges</b>	<b>(36)</b>	<b>(97)</b>
<b>Net interest payable and similar charges</b>	<b>(34)</b>	<b>(97)</b>

### 4 Dividends

There were no dividends paid in the period (2014 £nil)

### 5 Directors' emoluments

	Period ended 28 February 2015 £'000	Period ended 1 March 2014 £'000
<b>Group and Company</b>		
Aggregate emoluments	609	726
Sums paid to third parties for director services	150	150
Employers contributions to defined contribution pension	55	53
	<b>814</b>	<b>929</b>

Emoluments paid to directors during the period in respect of services to the company and its subsidiary undertakings were paid by Jaeger London Limited. The number of directors who received emoluments during the period was 7 (2014 8)

# Jaeger London Limited

## Notes to the financial statements for the period ended 28 February 2015 (continued)

### 5 Directors' emoluments (continued)

	Period ended 28 February 2015 £'000	Period ended 1 March 2014 £'000
Highest paid director		
Aggregate emoluments	368	406
Employers contributions to defined contribution pension schemes	35	38
	<b>403</b>	<b>444</b>

### 6 Employees

The average numbers employed by the company (including executive directors) during the period were

	Period ended 28 February 2015 Number	Period ended 1 March 2014 Number
Group		
	856	911

The costs incurred in respect of these employees were

	Period ended 28 February 2015 £'000	Period ended 1 March 2014 £'000
Group		
Wages and salaries	16,127	16,296
Social security costs	1,244	1,205
Other pension costs	266	199
	<b>17,637</b>	<b>17,700</b>



# Jaeger London Limited

## Notes to the financial statements for the period ended 28 February 2015 (continued)

### 7 Tax on loss on ordinary activities

Group	Period ended 28 February 2015 £'000	Period ended 1 March 2014 £'000
Loss on ordinary activities before taxation	(7,039)	(9,867)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK 21.19% (2014: 23.09%)	(1,492)	(2,278)
Effects of		
Fixed asset differences	194	-
Expenses not deductible for tax purposes	81	770
Income not taxable for tax purposes	(209)	-
Other permanent differences	3	-
Impact of rate difference between deferred and current tax	-	201
Depreciation for year (in excess of)/less than capital allowances	(478)	248
Utilisation of tax losses and other deductions	(20)	-
Standard timing differences	-	426
Adjustments to brought forward values	(84)	-
Losses carried forward	2,005	633
Current tax charge for the period	-	-

A reduction in the UK corporation tax rate from 24% to 23% (effective 1 April 2013) was substantively enacted on 3 July 2012. Further reduction to 21% (effective 1 April 2014) and 20% (effective 1 April 2015) were substantively enacted on 2 July 2013. In the Budget on 8 July 2015, the Chancellor announced additional planned reductions to 18% by 2020. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 28 February 2015 has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

# Jaeger London Limited

## Notes to the financial statements for the period ended 28 February 2015 (continued)

### 8 Deferred tax

The amounts of deferred tax provided and unprovided are as follows

Group	Period ended 28 February 2015		Period ended 1 March 2014	
	Provided £'000	Unprovided £'000	Provided £'000	Unprovided £'000
Accelerated capital allowances	-	2,115	-	2,687
Short term timing differences	-	174	-	808
Carried forward trading losses	-	6,550	-	4,023
	-	8,839	-	7,518

The potential deferred tax asset has not been recognised in these financial statements since the company cannot be reasonably certain of the profit profile required which would allow the asset to crystallise

### 9 Exceptional items

There were a number of exceptional items incurred during this period as shown below

Group	Period ended 28 February 2015 £'000	Period ended 1 March 2014 £'000
<b>Exceptional cost of sales items</b>		
Fair value financial liability	-	1,735
	-	1,735
<b>Exceptional administrative expenses items</b>		
Provision for onerous contracts	281	145
Reorganisation costs	102	3,137
	383	3,282
<b>Total exceptional items</b>	<b>383</b>	<b>5,017</b>

In the prior period, the group adopted FRS 26 'Financial Instruments Recognition and Measurement', which resulted in a charge to the profit and loss account of £1,735,000

A provision of £280,953 (2014 £145,000) was made in relation to onerous contracts in respect of loss making stores (note 16)

During the period the group continued a cost reduction programme. This has led to exceptional costs of £101,708 (2014 £3,137,000) in the period

## Jaeger London Limited

### Notes to the financial statements for the period ended 28 February 2015 (continued)

#### 10 Tangible assets

Group	Short leasehold properties £'000	Fixtures, fittings and office equipment £'000	Total £'000
<b>Cost</b>			
1 March 2014	4,624	20,888	25,512
Additions	137	4,831	4,968
Disposals	(415)	(1,734)	(2,149)
<b>28 February 2015</b>	<b>4,346</b>	<b>23,985</b>	<b>28,331</b>
<b>Accumulated depreciation</b>			
1 March 2014	2,901	15,588	18,489
Charge for the period	320	1,978	2,298
Disposals	(215)	(1,680)	(1,895)
<b>28 February 2015</b>	<b>3,006</b>	<b>15,886</b>	<b>18,892</b>
<b>Net book value</b>			
<b>28 February 2015</b>	<b>1,340</b>	<b>8,099</b>	<b>9,439</b>
1 March 2014	1,723	5,300	7,023

There are no material differences between the book value of short leasehold properties and the market value (2014 none)

# Jaeger London Limited

## Notes to the financial statements for the period ended 28 February 2015 (continued)

### 11 Investments

Investments represent the cost of investments in subsidiary companies as follows

Company	Investments in subsidiary undertaking
	£'000
<b>Cost</b>	
Cost as at 1 March 2014 and 28 February 2015	40,000
<b>Provisions for impairment</b>	
At 1 March 2014 and 28 February 2015	(17,290)
<b>Net book value</b>	
At 1 March 2014 and 28 February 2015	22,710

Details of the company's and group's subsidiary undertakings are provided below

Name of undertaking	Country of incorporation & operation	Principal activities	Proportion of issued ordinary shares held	
			Group %	Company %
Jaeger Holdings Limited	England	Holding Company	100	100
The Jaeger Company's Shops Limited	England	Retail distribution of Jaeger Clothing	100	-
The Jaeger Company Limited	England	Administration of group services and distribution of Jaeger Clothing	100	-
CV Financial Services Limited	England	In liquidation	100	-
Jaeger Danmark AS	Denmark	Retail distribution of Jaeger Clothing	100	-

# Jaeger London Limited

## Notes to the financial statements for the period ended 28 February 2015 (continued)

### 12 Stocks

	28 February 2015 £'000	1 March 2014 £'000
<b>Group</b>		
Goods for resale	8,933	8,214
Raw materials	456	19
	<b>9,389</b>	<b>8,233</b>

In the opinion of the directors the replacement value of stock does not differ materially from the book value

### 13 Debtors

	Group 28 February 2015 £'000	Company 28 February 2015 £'000	Group 1 March 2014 £'000	Company 1 March 2014 £'000
Trade debtors	1,656	-	1,932	-
Amounts owed by subsidiary undertakings	-	-	-	12,461
Amounts owed by parent undertakings	134	134	-	-
Other debtors	442	-	536	-
Fair value financial asset	125	-	-	-
Prepayments and accrued income	2,978	14	3,091	-
	<b>5,335</b>	<b>148</b>	<b>5,559</b>	<b>12,461</b>

Amounts owed by group undertakings are non interest bearing and have no date specified for repayment

# Jaeger London Limited

## Notes to the financial statements for the period ended 28 February 2015 (continued)

### 14 Creditors - amounts falling due within 1 year

	Group 28 February 2015 £'000	Company 28 February 2015 £'000	Group 1 March 2014 £'000	Company 1 March 2014 £'000
Trade creditors	5,102	-	6,594	-
Amounts owed to subsidiary undertakings	-	276	-	1,299
Amounts owed to parent undertakings	42,266	-	26,296	30
Finance leases (note 15)	-	-	216	-
Other tax and social security	1,713	-	1,835	-
Accruals and deferred income	3,585	128	3,605	165
Fair value financial liability	654	-	1,135	-
Other creditors	140	-	101	-
	<b>53,460</b>	<b>404</b>	<b>39,782</b>	<b>1,494</b>

Amounts owed to group undertakings are non interest bearing and have no date specified for repayment

### 15 Finance leases

Finance leases are repayable as follows

	28 February 2015 £'000	1 March 2014 £'000
<b>Group</b>		
In one year or less	-	216
	-	216

The five finance leases in the prior period above have a range of interest rates between 7% and 22%

# Jaeger London Limited

## Notes to the financial statements for the period ended 28 February 2015 (continued)

### 16 Provisions for liabilities and charges

	Onerous lease and contracts costs £'000	Leasehold dilapidation costs £'000	Other provisions £'000	Total £'000
<b>Group</b>				
1 March 2014	1,715	3,751	862	6,328
Utilised	(1,093)	(584)	-	(1,677)
Created	281	260	-	541
28 February 2015	903	3,427	862	5,192

The onerous lease and contracts provision and leasehold dilapidation provision are described in the statement of accounting policies. These provisions will be utilised as the related lease and contract liabilities expire.

Other provisions have been created to provide for loyalty scheme benefits that have been incurred in the financial period.

### 17 Called up share capital

	28 February 2015 £'000	1 March 2014 £'000
<b>Group and Company</b>		
<b>Allotted and fully paid</b>		
82,074,652 (2014: 82,074,652) ordinary shares of 5p each	4,103	4,103

# Jaeger London Limited

## Notes to the financial statements for the period ended 28 February 2015 (continued)

### 18 Reserves

	Profit and loss account £'000	Share premium £'000	Merger reserve £'000	Hedging reserve £'000
<b>Company</b>				
1 March 2014	8,603	20,971	-	-
Loss for the financial period	(11,223)	-	-	-
<b>28 February 2015</b>	<b>(2,620)</b>	<b>20,971</b>	<b>-</b>	<b>-</b>
<b>Group</b>				
1 March 2014	(21,040)	20,971	(27,886)	-
Loss for the financial period	(7,039)	-	-	-
Movement on hedging reserve	-	-	-	(529)
<b>28 February 2015</b>	<b>(28,079)</b>	<b>20,971</b>	<b>(27,886)</b>	<b>(529)</b>

### 19 Reconciliation of movements in shareholders' (deficit)/funds

	Group 28 February 2015 £'000	Company 28 February 2015 £'000	Group 1 March 2014 £'000	Company 1 March 2014 £'000
Loss for the financial period	(7,039)	(11,223)	(9,867)	(3,499)
Movement on hedging reserve	(529)	-	-	-
Net reduction in shareholders' deficit	(7,568)	(11,223)	(9,867)	(3,499)
Opening shareholders' (deficit)/funds	(23,852)	33,677	(13,985)	37,176
<b>Closing shareholders' (deficit)/funds</b>	<b>(31,420)</b>	<b>22,454</b>	<b>(23,852)</b>	<b>33,677</b>



## Jaeger London Limited

### Notes to the financial statements for the period ended 28 February 2015 (continued)

#### 20 Capital commitments

Group	28 February 2015 £'000	1 March 2014 £'000
Contracts placed for future capital expenditure note provided in the financial statements	608	209

#### 21 Financial commitments

At 28 February 2015 and 1 March 2014, the group had annual commitments under non-cancellable operating leases expiring as follows

Group	28 February 2015 £'000	1 March 2014 £'000
<b>Land and buildings:</b>		
Within one year	1,000	27
Within two to five years	2,353	2,186
Over five years	5,143	6,923
	<b>8,496</b>	<b>9,136</b>
<b>Other operating leases:</b>		
Within one year	-	11
Within two to five years	32	-
	<b>32</b>	<b>11</b>

#### 22 Contingent liability

Certain companies in the Jaeger group, have guaranteed a fixed and floating charge over all property and other undertakings of the company to BECAP 12 GP Limited, the ultimate parent company, associated with certain loan notes in issue within the group

#### 23 Pensions

Jaeger London Limited has established a defined contribution scheme "Jaeger Group Personal Pension" for employees who were previously members of Coats Plc Pension Plan. Jaeger London Limited also operates defined contribution scheme "Jaeger Group Stakeholder Plan" for all other employees.

The company's employees are eligible to participate in these pension schemes. The assets of both schemes are held separately from those of the group in an independently administered funds. The total pension cost for the company for the year was £265,679 (2014: £199,356) in relation to the defined contribution schemes. There are no outstanding or prepaid contributions at the balance sheet date.

## **Jaeger London Limited**

### **Notes to the financial statements for the period ended 28 February 2015 (continued)**

#### **24 Related party transactions**

The company is exempt under the terms of FRS 8 from disclosing related party transactions with other wholly owned entities that are part of the Jaeger London Limited group. Other related party transactions are detailed below.

Better Capital LLP and BECAP12 Jaeger Ltd are related parties because they are part of the ultimate controlling party, BECAP12 GP Limited.

The group has been recharged expenses totalling £180,676 (2014: £nil) by Better Capital LLP, and recharged expenses totalling £172,784 (2014: £nil) by BECAP12 Jaeger Ltd.

At the period end, the amount due to Better Capital LLP was £nil (2014: £nil), and the amount due to BECAP12 Jaeger Ltd was £nil (2014: £nil).

#### **25 Post balance sheet event**

Subsequent to the year end the Jaeger group of companies have received a total of £10.0m of further investment from the ultimate parent BECAP12 Fund LP. The investment will be used to refurbish existing stores and roll-out new stores, continue IT and website improvements and fund working capital. The investment represents a continued endorsement of the business by its investors.

#### **26 Ultimate parent undertaking**

The company's immediate parent undertaking is BECAP Jaeger (UK) Limited, Jaeger House, 57 Broadwick Street, London, W1F 9QS, a company incorporated in England and Wales.

The company's ultimate parent company is BECAP12 Fund LP, a company with a registered office in Guernsey at Heritage Hall, Le Marchant Street, St Peter Port, Guernsey, GY1 4HY.

#### **27 Controlling Party**

The ultimate controlling party is BECAP12 GP Limited.