

Self-Portrait Ltd
Financial Statements
For the year ended 30 September 2020



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Financial Statements
For the year ended 30 September 2020

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Self-Portrait Ltd

Officers and Professional Advisers

Director	Mr H L Chong
Registered office	Unit 207 Impact Centre 12-18 Hoxton Street London N1 6NG
Auditor	Deloitte LLP Statutory auditor London United Kingdom
Bankers	National Westminster Bank 135 Bishopsgate London EC2M 3UR
Solicitors	Freeths LLP 1 Vine Street Mayfair London W1J 0AH

Self-Portrait Ltd

Strategic Report

For the year ended 30 September 2020

The director presents his strategic report together with the audited financial statements for the year ended 30 September 2020. The comparatives cover the twelve months ended 30 September 2019. In preparing this strategic report the director has complied with S414C of the Companies Act 2006.

Review of the business

Principal activities and key performance indicators

Self-Portrait Ltd ("the Company") is a leading designer and manufacturer of womenswear contemporary fashion. Our clothes are supplied to the world's premier retail outlets and also distributed through our own online platform and retail store.

The key performance indicators of the Company for this financial year versus the previous financial year are:

- Headline sales decline of 23% (decrease of £6,981,297) to £23,378,078
- Gross profit decline of 20% (decrease of £2,552,503)
- Gross profit margin expanded by 1 percentage point
- Operating profit decreased by £423,562 to £3,064,334
- Cash at bank at the year end increased by £4,466,268 to £9,887,682

The main contributor to the decline in operating performance during the year was the COVID-19 pandemic. The impact and response to the pandemic is explained in further detail below.

COVID-19

The COVID-19 pandemic has developed rapidly in 2020, with increasing worldwide cases leading to local lockdowns in the majority of countries in which the group operates. Measures taken by various governments to contain the virus have affected global economic activity and the Company's business with the closure of retail outlets.

Although COVID-19 has directly impacted the Company's sales, the director has taken a number of measures to monitor and mitigate the effects, including more stringent cost controls across all expenditure and as a result the Company has seen year end liquidity improve, with cash at bank at the year end of £9,887,682 (2019: £5,421,414). The Company has focused on growing digital channels whilst government measures require the closure of retail stores. The Company is continuing to work with suppliers to ensure that supply chains not disrupted and the Company can meet the needs of its customers. The director has also put in place effective health and safety measures, such as social distancing and working from home, to ensure staff effectiveness and output is not impacted.

As a result of the cost saving and other measures the Company has implemented, the impact on the financial results from COVID-19 has not been significant. Group operating profit for 2020 is broadly in line with the prior year at £3,064,334 (2019: £3,487,896). The Company will continue to manage costs and review global updates and restrictions that may impact the business. Further reference is made in note 3, Going concern.

Principal risks and uncertainties

Marketplace

The contemporary ready-to-wear business is highly competitive and presents a number of operational risks characteristic of this sector. The Company seeks to stand out in this environment by offering a highly distinctive range of products at attractive price points, aiming to offer products that are readily recognisable as being from Self-Portrait Ltd.

Supply chain risk

The business is dependent upon suppliers with whom relationships have been developed over time and whose loss through insolvency, disaster or denial of supply may be difficult to replace in the short term. The suppliers of the Company are part of larger groups so that any issue at one individual

Self-Portrait Ltd

Strategic Report (continued)

For the year ended 30 September 2020

Principal risks and uncertainties (continued)

supplier can be mitigated by switching to another supplier within each group. Levels of inventory are adequate to cover short periods of supply delay.

United Kingdom's exit from the European Union

The business is subject to certain import tariffs for goods that are imported into the European Union. As the Company's primary warehouse for European distribution is located in the United Kingdom, these tariffs could be subject to change depending on the terms agreed between the United Kingdom and the European Union on the former's exit from the union. The business is closely monitoring the situation and will take the appropriate necessary steps to ensure that its pricing remains competitive for customers who remain within the European Union.

Foreign exchange risk

The Company is exposed to both translational and transactional foreign exchange. The Company purchases virtually all its products in US dollars. The Company sells in pounds Sterling, US dollars and Euros and currently does not implement any foreign exchange hedges or other financial instruments.

Financial risks management objectives and policies

Credit risk

The principal credit risk for the Company arises from its trade debtors. In order to manage risk, the Company monitors debtor ageing closely and requires some wholesale customers to make a deposit payment at the time of placing their orders to cover at least part of the cost of production.

Liquidity risk

The Company seeks to manage liquidity risk by ensuring sufficient funds are available to meet foreseeable operational needs. The Company monitors budgets and cash flow forecasts on a regular basis. To date the Company does not currently have any credit facilities but has built relationships to be able to put credit lines in place, should they be required.

Future developments

The ongoing COVID-19 pandemic has continued to impact retail sales post year end. Restrictions imposed by the UK enforcing non-essential retail to close has meant that the Company's Albemarle Street store has been closed since November 2020. The Company will continue to utilise support made available by the UK Government, including the Coronavirus Job Retention Scheme.

Post year end, the Company has established a central warehouse in Belgium. This warehouse will operate as the central hub for imports and exports to European Union countries following the United Kingdom's exit. The warehouse has been created in order to minimise the duty payable on imports and ensure that competitive pricing for customers inside the European Union can continue.

Discontinued operations

During the year, Self Portrait US Inc ceased to trade and the decision to close the Company was made. At the year-end date, the dissolution process was still ongoing and the director expects the strike-off to be completed in the next financial year. As a result of this, the stock, fixed assets and intercompany loan relating to Self Portrait US Inc have been written off in these financial statements.

Post balance sheet events

There have been no further events occurring post the balance sheet date which require disclosing.

Self-Portrait Ltd

Strategic Report (continued)

For the year ended 30 September 2020

This report was approved by the director on 8/4/2021

Mr H L Chong
Director

Registered office:
Unit 207 Impact Centre
12-18 Hoxton Street
London
N1 6NG

Self-Portrait Ltd

Director's Report

For the year ended 30 September 2020

The director presents his report and the financial statements of the group for the year ended 30 September 2020.

Self-Portrait Limited have elected under s414C(11) to disclose information required in the director's report within the strategic report, this is due to the fact the director believes they are of strategic importance to the group.

The following have been included in the strategic report:

- Financial risk management objectives and policies;
- Events which have occurred since the end of the financial year; and
- Future developments.

Director

The director who served the Company during the year, and after the year end, up to the date of this report, was as follows:

Mr H L Chong

Dividends

No dividends were approved or paid in the period or the prior period. No dividends have been proposed for payment post year end.

Auditor

Deloitte LLP was reappointed as auditor during the year. Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Going Concern

The Company's business activities and performance, together with the major risk factors the business is subject to are set out in the Strategic Report on pages 2 to 4. The Company is expected to continue to generate positive cash flows for the foreseeable future. The Director has no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of Self-Portrait Ltd to continue as a going concern, despite the ongoing uncertainties arising from the coronavirus pandemic. Based on the Company's strong balance sheet and cash reserves, the Company's Director has a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future, being at least 12 months from the approval of the consolidated financial statements. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

This report was approved by the director on 8/4/2021

Mr H L Chong
Director

Registered office:
Unit 207 Impact Centre
12-18 Hoxton Street
London
N1 6NG

Self-Portrait Ltd

Statement of Director's Responsibilities

For the year ended 30 September 2020

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the Company and the profit or loss of the Company for that period. The director has elected to present separate financial statements for the parent company alongside the consolidated financial statements.

In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is 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. He is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. As far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware.

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 auditors are aware of that information.

Self-Portrait Ltd

Independent Auditor's Report to the Members of Self-Portrait Ltd

For the year ended 30 September 2020

Opinion

In our opinion, the financial statements of Self-Portrait Ltd (the 'parent company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 September 2020 and of the group's profit for the year 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 consolidated profit and loss account;
- the consolidated statement of comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 30.

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 group and the parent 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

We are required by ISAs (UK) to report in respect of the following matters where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Self-Portrait Ltd

Independent Auditor's Report to the Members of Self-Portrait Ltd (continued)

For the year ended 30 September 2020

Other information

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

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

We have nothing to report in respect of these matters.

Responsibilities of the director

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is responsible for assessing the group's and the parent 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 director either intends to liquidate the group or the parent company or to cease operations, or has 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.

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 director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

Self-Portrait Ltd

Independent Auditor's Report to the Members of Self-Portrait Ltd *(continued)*

For the year ended 30 September 2020

In the light of the knowledge and understanding of the group and of the parent company and their 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 we are required to report in respect of the following matters 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 director's 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 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.



Emily Cheevers FCA (Senior Statutory Auditor)

For and on behalf of
Deloitte LLP
Statutory Auditor
London
United Kingdom

9 April 2021

Self-Portrait Ltd
Consolidated Profit and Loss Account
For the year ended 30 September 2020

	Note	2020 £	2019 £
Turnover	5	23,378,078	30,359,375
Cost of sales		(13,403,217)	(17,832,011)
Gross profit		9,974,861	12,527,364
Administrative expenses		(7,029,894)	(9,039,468)
Other operating income	6	119,367	–
Operating profit	7	3,064,334	3,487,896
Other interest receivable and similar income	11	10,072	11,041
Profit before taxation		3,074,406	3,498,937
Tax on profit	12	(725,062)	(764,571)
Profit for the financial year		<u>2,349,344</u>	<u>2,734,366</u>

All the activities of the group are from continuing operations apart from the closure of the US entity, however this is not considered to be a major line of the groups operations and therefore has not been split out in this statement.

The notes on pages 17 to 29 form part of these financial statements.

Self-Portrait Ltd

Consolidated Statement of Comprehensive Income

For the year ended 30 September 2020

	2020 £	2019 £
Profit for the financial year	2,349,344	2,734,366
Foreign currency retranslation	(10,360)	9,008
Other comprehensive (expense)/income for the year	(10,360)	9,008
Total comprehensive income for the year	<u>2,338,984</u>	<u>2,743,374</u>

The notes on pages 17 to 29 form part of these financial statements.

Self-Portrait Ltd
Consolidated Balance Sheet
As at 30 September 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	13	247,782	153,447
Tangible assets	14	829,054	1,068,177
		<u>1,076,836</u>	<u>1,221,624</u>
Current assets			
Stocks	15	2,779,555	2,943,235
Debtors	16	2,703,791	4,420,665
Cash at bank and in hand		9,887,682	5,421,414
		<u>15,371,028</u>	<u>12,785,314</u>
Creditors: amounts falling due within one year	18	<u>(2,612,112)</u>	<u>(2,501,146)</u>
Net current assets		<u>12,758,916</u>	<u>10,284,168</u>
Total assets less current liabilities		<u>13,835,752</u>	<u>11,505,792</u>
Provisions	19	<u>(70,434)</u>	<u>(79,458)</u>
Net assets		<u>13,765,318</u>	<u>11,426,334</u>
Capital and reserves			
Called up share capital	23	7,692	7,692
Capital redemption reserve	24	2,308	2,308
Profit and loss account		13,755,318	11,416,334
Shareholder's funds		<u>13,765,318</u>	<u>11,426,334</u>

These financial statements were approved by the director and authorised for issue on 8/4/2021

Mr H L Chong
Director

Company registration number: 08537264

The notes on pages 17 to 29 form part of these financial statements.

Self-Portrait Ltd
Company Balance Sheet
As at 30 September 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	13	247,782	153,447
Tangible assets	14	829,054	944,488
		<u>1,076,836</u>	<u>1,097,935</u>
Current assets			
Stocks	15	2,779,555	2,814,314
Debtors	16	2,703,791	5,077,200
Cash at bank and in hand		9,883,630	5,366,612
		<u>15,366,976</u>	<u>13,258,126</u>
Creditors: amounts falling due within one year	18	(2,612,112)	(2,479,330)
Net current assets		<u>12,754,864</u>	<u>10,778,796</u>
Total assets less current liabilities		<u>13,831,700</u>	<u>11,876,731</u>
Provisions	19	(70,434)	(79,458)
Net assets		<u>13,761,266</u>	<u>11,797,273</u>
Capital and reserves			
Called up share capital	23	7,692	7,692
Capital redemption reserve	24	2,308	2,308
Profit and loss account		13,751,266	11,787,273
Shareholder's funds		<u>13,761,266</u>	<u>11,797,273</u>

The profit for the financial year of the parent company was £1,963,993 (2019: £3,114,313). The parent company recognises investments in subsidiaries using the cost method.

These financial statements were approved by the director and authorised for issue on 8/4/2021

Mr H L Chong
Director

Company registration number: 08537264

The notes on pages 17 to 29 form part of these financial statements.

Self-Portrait Ltd

Consolidated Statement of Changes in Equity

For the year ended 30 September 2020

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 October 2018	7,692	2,308	8,672,960	8,682,960
Profit for the year	-	-	2,734,366	2,734,366
Other comprehensive income for the year:				
Foreign currency retranslation	-	-	9,008	9,008
Total comprehensive income for the year	-	-	2,743,374	2,743,374
At 30 September 2019	7,692	2,308	11,416,334	11,426,334
Profit for the year	-	-	2,349,344	2,349,344
Other comprehensive expense for the year:				
Foreign currency retranslation	-	-	(10,360)	(10,360)
Total comprehensive income for the year	-	-	2,338,984	2,338,984
At 30 September 2020	<u>7,692</u>	<u>2,308</u>	<u>13,755,318</u>	<u>13,765,318</u>

The notes on pages 17 to 29 form part of these financial statements.

Self-Portrait Ltd
Company Statement of Changes in Equity
For the year ended 30 September 2020

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 October 2018	7,692	2,308	8,672,960	8,682,960
Profit for the year	—	—	3,114,313	3,114,313
Total comprehensive income for the year	—	—	3,114,313	3,114,313
At 30 September 2019	7,692	2,308	11,787,273	11,797,273
Profit for the year	—	—	1,963,993	1,963,993
Total comprehensive income for the year	—	—	1,963,993	1,963,993
At 30 September 2020	<u>7,692</u>	<u>2,308</u>	<u>13,751,266</u>	<u>13,761,266</u>

The notes on pages 17 to 29 form part of these financial statements.

Self-Portrait Ltd
Consolidated Cash Flow Statement
For the year ended 30 September 2020

	2020 £	2019 £
Cash flows from operating activities		
Profit for the financial year	2,349,344	2,734,366
<i>Adjustments for:</i>		
Depreciation of tangible assets	127,430	132,715
Amortisation of intangible assets	53,652	8,920
Other interest receivable and similar income	(10,072)	(11,041)
Loss on disposal of tangible assets	111,999	1,735
Tax on profit	725,062	764,571
Accrued income	(121,487)	(7,086,227)
Foreign currency retranslation (losses)/gains	(10,360)	9,008
<i>Changes in:</i>		
Stocks	163,680	(734,338)
Trade and other debtors	1,716,874	2,732,879
Trade and other creditors	(10,670)	(1,095,070)
Cash generated from/(used in) operations	5,095,452	(2,542,482)
Interest received	10,072	11,041
Tax paid	(490,963)	(353,308)
Net cash from/(used in) operating activities	<u>4,614,561</u>	<u>(2,884,749)</u>
Cash flows from investing activities		
Purchase of tangible assets	(6,438)	(180,281)
Proceeds from sale of tangible assets	6,132	1,763
Purchase of intangible assets	(147,987)	(148,288)
Net cash used in investing activities	<u>(148,293)</u>	<u>(326,806)</u>
Net increase/(decrease) in cash and cash equivalents	4,466,268	(3,211,555)
Cash and cash equivalents at beginning of year	5,421,414	8,632,969
Cash and cash equivalents at end of year	<u>9,887,682</u>	<u>5,421,414</u>

The notes on pages 17 to 29 form part of these financial statements.

Self-Portrait Ltd

Notes to the Financial Statements

For the year ended 30 September 2020

1. General information

The Company 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 the registered office is Unit 207 Impact Centre, 12-18 Hoxton Street, London, N1 6NG.

The principal activities of the Company and its subsidiaries (the Group) and the nature of the Group's operations are set out in the strategic report on pages 2 to 4.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities.

The financial statements are prepared in pounds sterling, which is the functional currency of the entity.

Going concern

The Company's business activities and performance, together with the major risk factors the business is subject to are set out in the Strategic Report on pages 2 to 4. The Company is expected to continue to generate positive cash flows for the foreseeable future. The Director has no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of Self-Portrait Ltd to continue as a going concern, despite the ongoing uncertainties arising from the coronavirus pandemic. Based on the Company's strong balance sheet and cash reserves, the Company's Director has a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future, being at least 12 months from the approval of the consolidated financial statements. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Consolidation

The financial statements consolidate the financial statements of Self-Portrait Ltd and all of its subsidiary undertakings. The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Revenue recognition

Turnover represents revenue recognised by the Company in respect of the wholesale, online, and in store retail of ladies' fashion clothing and accessories, net of provision for returns, excluding discount and Value Added Tax.

Self-Portrait Ltd

Notes to the Financial Statements *(continued)*

For the year ended 30 September 2020

3. Accounting policies *(continued)*

Revenue recognition *(continued)*

Online retail revenue is recognised when the goods are dispatched to the customer. Wholesale revenue is recognised upon receipt of the goods by the retailer.

In store retail is recognised at point of sale. In all instances, this is when the significant risks and rewards of ownership have been transferred to the customer, and it is probable that economic benefits will flow to the Company.

Interest income is recognised on an accruals basis.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Foreign currency translation gains and losses upon consolidation of foreign subsidiaries are presented in the statement of comprehensive income under foreign currency retranslation.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Holiday accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued

Self-Portrait Ltd

Notes to the Financial Statements *(continued)*

For the year ended 30 September 2020

3. Accounting policies *(continued)*

Intangible assets *(continued)*

amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date.

Development costs have been capitalised in accordance with FRS 102 Section 18 Intangible Assets other than Goodwill and are therefore not treated, for dividend purposes, as a realised loss.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Website development costs - 20% reducing balance

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold property	- 10% reducing balance
Fixtures and fittings	- 20% reducing balance
Equipment	- 33% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition. Cost is based on the average cost of purchase during the year.

Self-Portrait Ltd

Notes to the Financial Statements *(continued)*

For the year ended 30 September 2020

3. Accounting policies *(continued)*

Stocks *(continued)*

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the profit and loss account.

Discontinued operations

During the year, Self Portrait US Inc ceased to trade and the decision to close the Company was made. At the year-end date, the dissolution process was still ongoing and the director expects the strike-off to be completed in the next financial year. As a result of this, the stock, fixed assets and intercompany loan relating to Self Portrait US Inc have been written off in these financial statements. This has not been shown separately on the face of the profit and loss statement as it is not considered a major line of operations for the group.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be received. Government grants are recognised using the accrual model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the Company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Loans and borrowings are initially recognised at transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method. If an arrangement constitutes a finance transaction it is measured at present value.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application on the Company's accounting policies which are described in note 3, the

Self-Portrait Ltd

Notes to the Financial Statements *(continued)*

For the year ended 30 September 2020

4. Critical accounting judgements and key sources of estimation uncertainty *(continued)*

director is 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.

Critical accounting judgements

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 in the revision affects both current and future periods. There were no accounting estimates that were deemed to have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. In reviewing the estimates, the Director considers that the following may have a significant effect on the amounts recognised in the financial statements:

Useful economic life of fixed and intangible assets

The annual depreciation and amortisation charges are based upon the director's assessment of the useful economic lives and residual values of the company's tangible assets. These are reassessed annually and amended as necessary.

5. Turnover

Turnover arises from:

	Year ended 30 Sep 2020	Year ended 30 Sep 2019
	£	
Wholesale sales	16,960,631	22,949,702
E-Commerce sales	5,195,371	5,815,066
Retail sales	839,910	1,270,382
Other sales	382,166	324,225
	<u>23,378,078</u>	<u>30,359,375</u>

An analysis of the group of company's turnover by geographical market is set out below.

	Year ended 30 Sep 2020	Year ended 30 Sep 2019
	£	£
UK	4,661,485	6,680,718
EU	6,062,427	7,473,332
Rest of the world	12,654,166	16,205,325
	<u>23,378,078</u>	<u>30,359,375</u>

The whole of the turnover is attributable to the principal activity of the group wholly undertaken in the United Kingdom.

Self-Portrait Ltd

Notes to the Financial Statements *(continued)*

For the year ended 30 September 2020

6. Other operating income

	2020 £	2019 £
Coronavirus Job Retention Scheme	<u>119,367</u>	<u>-</u>

7. Operating profit

Operating profit or loss is stated after charging/(crediting):

	2020 £	2019 £
Amortisation of intangible assets	53,652	8,920
Depreciation of tangible assets	127,430	132,715
Loss on disposal of tangible assets	111,999	1,735
Impairment of stocks	121,880	-
Impairment of trade debtors	61,815	59,773
Foreign exchange differences	(50,043)	2,358
Operating lease rentals	<u>377,095</u>	<u>393,371</u>

During the year, stock held by a group subsidiary was impaired to a value of £nil when the company ceased to trade.

8. Auditor's remuneration

	2020 £	2019 £
Fees payable for the audit of the financial statements	<u>48,500</u>	<u>45,000</u>

No fees were payable to the auditor in respect of non-audit services during the year (2019: £nil). During the prior year, accrued audit fees totalled £45,000 however actual fees received totalled £48,500.

9. Staff costs

The average number of persons employed by the group during the year, including the director, amounted to:

	2020 No.	2019 No.
Number of design staff	9	9
Number of sales staff	19	19
Number of finance staff	2	3
Number of management staff	9	9
Number of internship staff	1	3
	<u>40</u>	<u>43</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2020 £	2019 £
Wages and salaries	1,758,093	1,745,531
Social security costs	193,156	182,753
Other pension costs	50,917	42,434
	<u>2,002,166</u>	<u>1,970,718</u>

Self-Portrait Ltd

Notes to the Financial Statements *(continued)*

For the year ended 30 September 2020

10. Director's remuneration

The director's aggregate remuneration in respect of qualifying services was:

	2020	2019
	£	£
Remuneration	150,000	150,000
Company contributions to defined contribution pension plans	2,191	1,888
	<u>152,191</u>	<u>151,888</u>

The number of directors to whom retirement benefits are accruing is 1 (2019: 1)

11. Other interest receivable and similar income

	2020	2019
	£	£
Interest on cash and cash equivalents	<u>10,072</u>	<u>11,041</u>

12. Tax on profit

Major components of tax expense

	2020	2019
	£	£
Current tax:		
UK current tax expense	733,693	759,672
Adjustments in respect of prior periods	393	2,680
Total current tax	<u>734,086</u>	<u>762,352</u>

Deferred tax:

Origination and reversal of timing differences	<u>(9,024)</u>	<u>2,219</u>
Tax on profit	<u>725,062</u>	<u>764,571</u>

The tax assessed on the profit on ordinary activities for the year is higher than (2019: higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%).

Self-Portrait Ltd

Notes to the Financial Statements *(continued)*

For the year ended 30 September 2020

12. Tax on profit *(continued)*

Reconciliation of tax expense

	2020 £	2019 £
Profit on ordinary activities before taxation	3,074,406	3,498,937
Profit on ordinary activities by rate of tax	584,137	664,798
Adjustment to tax charge in respect of prior periods	393	2,680
Effect of expenses not deductible for tax purposes	9,167	11,518
Effect of capital allowances and depreciation	17,820	11,165
Withholding tax charge	–	71,867
Effect of foreign subsidiary losses not taxable in UK	151,324	40,594
Effect of consolidation adjustments	(28,755)	(40,270)
Deferred Tax (Note 20)	(9,024)	2,219
Tax on profit	725,062	764,571

13. Intangible assets

Group and company

	Website Development costs £
Cost	
At 1 October 2019	189,487
Additions	147,987
At 30 September 2020	337,474
Amortisation	
At 1 October 2019	36,040
Charge for the year	53,652
At 30 September 2020	89,692
Carrying amount	
At 30 September 2020	247,782
At 30 September 2019	153,447

Self-Portrait Ltd

Notes to the Financial Statements (continued)

For the year ended 30 September 2020

14. Tangible assets

Group	Leasehold property £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1 October 2019	1,059,913	182,724	54,949	1,297,586
Additions	–	–	6,438	6,438
Disposals	(106,067)	(15,550)	(5,138)	(126,755)
Revaluations	(478)	(70)	(17)	(565)
Other movements	–	(133)	–	(133)
At 30 September 2020	953,368	166,971	56,232	1,176,571
Depreciation				
At 1 October 2019	145,812	61,120	22,477	229,409
Charge for the year	85,610	22,786	19,034	127,430
Disposals	(6,184)	(2,036)	(969)	(9,189)
Other movements	–	(133)	–	(133)
At 30 September 2020	225,238	81,737	40,542	347,517
Carrying amount				
At 30 September 2020	728,130	85,234	15,690	829,054
At 30 September 2019	914,101	121,604	32,472	1,068,177
Company	Long leasehold property £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1 October 2019	953,368	167,104	51,267	1,171,739
Additions	–	–	6,438	6,438
Disposals	–	–	(1,473)	(1,473)
Other movements	–	(133)	–	(133)
At 30 September 2020	953,368	166,971	56,232	1,176,571
Depreciation				
At 1 October 2019	144,335	60,562	22,354	227,251
Charge for the year	80,903	21,308	18,547	120,758
Disposals	–	–	(359)	(359)
Other movements	–	(133)	–	(133)
At 30 September 2020	225,238	81,737	40,542	347,517
Carrying amount				
At 30 September 2020	728,130	85,234	15,690	829,054
At 30 September 2019	809,033	106,542	28,913	944,488

15. Stocks

	Group		Company	
	2020 £	2019 £	2020 £	2019 £
Finished goods	2,779,555	2,943,235	2,779,555	2,814,314

Self-Portrait Ltd

Notes to the Financial Statements *(continued)*

For the year ended 30 September 2020

16. Debtors

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	1,733,010	1,861,923	1,733,010	1,847,604
Amounts owed by group undertakings (Note 27)	–	235,983	–	1,016,673
Prepayments and accrued income	206,511	342,574	206,511	232,738
Director's loan account (Note 26)	422,710	381,226	422,710	381,226
Other debtors	341,560	1,598,959	341,560	1,598,959
	<u>2,703,791</u>	<u>4,420,665</u>	<u>2,703,791</u>	<u>5,077,200</u>

The amounts due from the group undertakings are repayable on demand. There is no security or interest charged on the balance.

17. Analysis of changes in net debt

	As at 1 October 2019 £	Cash Flows £	Non-Cash Changes £	As at 30 September 2020 £
Cash and Cash Equivalents				
Cash at bank and in hand	5,421,414	4,466,268	–	9,887,682
	<u>5,421,414</u>	<u>4,466,268</u>	<u>–</u>	<u>9,887,682</u>
Borrowings				
Debt due	–	–	–	–
	<u>5,421,414</u>	<u>4,466,268</u>	<u>–</u>	<u>9,887,682</u>

18. Creditors: amounts falling due within one year

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	476,692	380,225	476,692	367,034
Amounts owed to group undertakings (Note 27)	126,555	–	126,555	–
Accruals and deferred income	878,929	1,000,416	878,929	997,975
Corporation tax	652,167	409,044	652,167	409,044
Social security and other taxes	–	5,644	–	–
Credit cards	5,700	41,027	5,700	41,027
Customer deposits	234,604	455,228	234,604	454,688
Other creditors	237,465	209,562	237,465	209,562
	<u>2,612,112</u>	<u>2,501,146</u>	<u>2,612,112</u>	<u>2,479,330</u>

The amounts due to the group undertaking are repayable on demand. There is no security or interest charged on the balance.

Self-Portrait Ltd

Notes to the Financial Statements (continued)

For the year ended 30 September 2020

19. Provisions

Group and company	Deferred tax (note 20) £
At 1 October 2019	79,458
Additions	(9,024)
At 30 September 2020	<u>70,434</u>

20. Deferred tax

The deferred tax included in the consolidated balance sheet is as follows:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Included in provisions (note 19)	<u>70,434</u>	<u>79,458</u>	<u>70,434</u>	<u>79,458</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Accelerated capital allowances	<u>70,434</u>	<u>79,547</u>	<u>70,434</u>	<u>79,547</u>

21. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £50,917 (2019: £42,434). An amount of £5,798 (2019: £6,200) was outstanding at the year end.

22. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Recognised in other operating income:				
Coronavirus Job Retention Scheme	<u>119,967</u>	<u>—</u>	<u>119,967</u>	<u>—</u>

At the year end £8,111 (2019: £nil) of government grant income was outstanding.

23. Called up share capital

Issued, called up and fully paid

	2020		2019	
	No.	£	No.	£
Ordinary shares of £0.0001 each	<u>76,923,077</u>	<u>7,692</u>	<u>76,923,077</u>	<u>7,692</u>

Self-Portrait Ltd

Notes to the Financial Statements *(continued)*

For the year ended 30 September 2020

24. Reserves

The capital redemption reserve records the nominal value of share capital repurchased by the Company.

The profit and loss account represents accumulated profits less dividends since incorporation.

25. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Not later than 1 year	291,355	483,467	291,355	373,631
Later than 1 year and not later than 5 years	1,100,000	1,115,300	1,100,000	1,115,300
Later than 5 years	449,795	725,548	449,795	725,548
	<u>1,841,150</u>	<u>2,324,315</u>	<u>1,841,150</u>	<u>2,214,479</u>

26. Director's advances, credits and guarantees

During the year, the director took advances of £31,412 (2019: £213,499) and interest of £10,072 (2019: £7,629) was charged, being 2.5% per annum on the balance due. Repayments of £nil (2019: £nil) were made by the director. At the year end, the balance due to the Company from the director was £422,710 (2019: £381,226).

27. Related parties

At the year end, the Company owed £126,555 (2019: was due £235,983) to Self Portrait IP Ltd, a Company registered in Hong Kong and related by common control.

The Company was due £nil (2019: £780,690) by Self Portrait US Inc, a company registered in the US and 100% subsidiary. This balance was eliminated on consolidation of the group financial statements.

28. Controlling party

The Parent Company is Self Portrait Holdings Ltd (No.2556086), which is incorporated in Hong Kong. The registered address for the parent company is Office 703, 7/F Wealth Commercial Centre, 48 Kwong Wa Street, Mongkok, Kowloon, Hong Kong.

The controlling party is Manager Asia Trust. The beneficiaries of the Manager Asia Trust are Han Loon Chong, Ban Tuck Chong, Han Yaw Chong, Shu Huey Chong and Ah Heoh Tan.

Self-Portrait Ltd

Notes to the Financial Statements *(continued)*

For the year ended 30 September 2020

29. Subsidiaries and related undertakings

The parent Company have an investment in the following list of subsidiaries and other related undertakings:

Name	Registered office address	Principal activity	Interest
Self Portrait US Inc.	158 Mercer Street, New York, 10012	Retail of clothing	100% of ordinary share capital

During the year, Self Portrait US Inc ceased to trade and the decision to close the Company was made. At the year end date, the dissolution process was still ongoing and the director expects the strike-off to be completed in the next financial year.

30. Subsequent events

The global COVID-19 pandemic has continued to impact the Company's trade post year end. Although, restrictions had been eased to allow retail shops to reopen at the year end, these outlets were forced to close by the UK Government throughout November and December 2020 as restrictions were tightened across the UK. Global restrictions have also impacted wholesale sales to international retailers.

Provisions have continued to be put in place by the director to maintain good cash reserves and ensure that the Company can continue to meet its ongoing liabilities. Forecasts have also been prepared to allow the director to make informed decisions based on the performance of the Company as a result of the ongoing restrictions. Whilst there is still uncertainty surrounding how long the restrictions will last for, the director is satisfied with how the business has been able to react and perform throughout the pandemic so far, and is focussing on driving the business forward.