Registered number: 10075594

WP R MIDCO 1 LIMITED

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE 52 WEEK PERIOD ENDED 30 JANUARY 2021

WP R MIDCO 1 LIMITED

COMPANY INFORMATION

DIRECTORS	C. Angelides J. N. Blanchard
REGISTERED NUMBER	10075594
REGISTERED OFFICE	Reiss Building 12 Picton Place London W1U 1BW
INDEPENDENT AUDITORS	PricewaterhouseCoopers LLP Chartered Accountants & Statutory Auditors 1 Embankment Place London WC2N 6RH
BANKERS	Lloyds Bank PLC 10 Gresham Street London EC2V 7AE

WP R MIDCO 1 LIMITED

WP R MIDCO 1 LIMITED

GROUP STRATEGIC REPORT
FOR THE 52 WEEK PERIOD ENDED 30 JANUARY 2021

The directors present the strategic report of the WP R MidCo 1 group of companies ("the group") for the period from 2 February 2020 to 30 January 2021.

BUSINESS REVIEW

Reiss designs and retails high quality women's and men's fashion clothing and accessories. These are sold exclusively under the Reiss brand in the UK and overseas. The Reiss promise of "affordable luxury" positions it between mainstream high street retailers and international luxury designer brands. Established in the UK as a menswear retailer in 1971 and first entering the womenswear market in 2000, Reiss is one of the UK's best-known fashion brands and has an established global presence.

The 52 weeks ended 30 January 2021 saw the emergence of COVID-19, which developed into a global pandemic that resulted in enforced store closures, lockdowns and other restrictions on social activity as governments sought to suppress infection rates.

Following a record year in the 52 weeks ended 1 February 2020, Reiss began the period in a very strong position as one of the best performing affordable luxury brands in the UK. Inevitably, the COVID-19 pandemic has had a profound impact on the group's revenue and EBITDA this year.

Sales for the 52 weeks ended 30 January 2021 totalled £170.7m (52 weeks ended 1 February 2020 restated: £226.5m).

The pandemic brought huge uncertainty to the whole retail sector and the directors took immediate and decisive action to ensure the group was able to continue trading and to maintain liquidity. Key actions included:

- Investment in the warehouse and warehouse staff to ensure the website could continue to trade. As a result, no online trading days were lost through the pandemic and service levels were maintained as Reiss.com grew rapidly;
- Focus on cash management, through claiming government support, postponing all non-critical expenditure, negotiating with landlords and agreeing payment deferrals on the group's banking facilities; and
- Pivot in our collections to casualwear as working from home changed customers' shopping habits and uses.

Ordinarily, EBITDA before exceptional items is the key metric the company uses to measure profitability in the business. As a result of the pandemic, EBITDA fell to £4.3m (2020 restated: £27.9m). Given the unprecedented disruption through the year, the directors consider this to be an acceptable result.

As mentioned above, the pandemic changed the focus of the directors away from profit to cash, as steps were rapidly taken to ensure that, as stores closed and revenue fell, the business retained sufficient liquidity to be able to continue trading. The directors are pleased that the group ended the year with a strong cash position of £14.2m (2020: £18.4m).

Exceptional items totalled £10.0m (2020: £0.4m), principally relating to onerous lease provisions and store impairments, the significant costs of dealing with the pandemic and non-recurring legal and advisory costs. As a result, the group made an operating loss for the 52 weeks ended 30 January 2021 of £32.4m (52 weeks ended 1 February 2020 restated: profit £0.9m). The underlying Reiss (Holdings) Limited trading group made an operating loss of £12.5m (52 weeks ended 1 February 2020 restated: profit £21.2m).

PRINCIPAL RISKS AND UNCERTAINTIES

The group's principal non-financial risk is considered to be the global economic environment and the market conditions in which it operates. The directors continuously monitor economic trends, market activity and competitors and ensure steps are taken to minimise the Group's exposure to any risks arising from market conditions. The directors seek to ensure that the business is highly skilled and agile, enabling it to react and adapt quickly, in order to ensure opportunities are maximised and risks minimised.

The Group's principal financial instruments include: derivative financial instruments, the purpose of which is to manage currency risks arising from the group's activities; and bank overdrafts, the main purposes of which are to raise short-term finance for the Group's operations and manage currency risks. In addition, the Group has various other financial assets and liabilities such as trade debtors and trade creditors arising directly from its operations. Derivative transactions which the Group enters into principally comprise forward exchange contracts. In accordance with the group's treasury policy, derivative instruments are not entered into for speculative purposes.

Liquidity and Cashflow Risk

The Group manages its cash borrowing requirements centrally to maximise interest income and minimise interest expense, whilst ensuring that the group has sufficient liquid resources to meet the operating needs of its business.

Foreign Currency Risk

The Group's principal foreign exchange exposures arise from transactions incurred with overseas subsidiaries and stores located overseas, as well as transactions with non-UK suppliers. The Group's main foreign exchange exposure is GBP to USD currency fluctuations. Group policy permits but does not demand that these exposures may be hedged in order to minimise this exposure. This hedging activity involves the use of foreign exchange forward contracts and foreign currency bank overdrafts.

Credit Risk

Investments of cash surpluses are made through the Group's principal bankers. Debtor balances are monitored on an ongoing basis and provision is made for doubtful debts where necessary. The directors aim to manage these risks in order to maintain and improve on the current level of performance.

COVID-19

Throughout the financial period, COVID-19 had a significant impact on the group's financial performance. This has continued in the period following the year-end, with the UK remaining in lockdown, non-essential retail being closed until mid-April and various restrictions in all other markets. As mentioned in last year's report, the group has also taken full advantage of various government support schemes worldwide including furlough schemes and certain UK grants, resulting in other income (note 5) of £6.1m. In addition, the group was grateful to receive support from both landlords and government in terms of rent relief for closure periods and the UK business rates holiday, providing an additional £8.9m in support. At the time of writing this report, all stores are open and trading and the successful roll-out of vaccines is allowing restrictions to be eased further as the world moves towards a 'new normal'.

Following the year-end, Reiss has performed ahead of expectations and budget and has operated within its banking facilities and with significant cash headroom. We expect this to continue during the period to January 2022 and, since our stores re-opened we have seen the strength of the brand and product reflected in our strong trading performance. However, the directors acknowledge that there remains uncertainty over the future impact of COVID-19 on the group's performance, for example in the event of a new variant evading the current suite of vaccines leading to a return to lockdown.

COVID-19 (continued)

In note 2.1, the directors set-out a number of downside scenarios that have been modelled to assess the impact of a new worldwide lockdown and the resulting store closures. In these severe but plausible downside scenarios, the Group has sufficient liquidity to continue to trade as a going concern and comply with all bank covenant tests for the forseeable future and for a period of at least 12 months from the approval date of these financial statements.

Following this analysis, which included a 3 month global lockdown resulting in the closure of all stores from November 2021 through to January 2022, the group expects to continue to be able to operate comfortably within its current facilities, the directors are confident that the going concern assumption made in preparing these financials statements is appropriate and that, unlike 2020-21, no material uncertainty currently exists.

The impact of these downside scenarios on the Company's fixed asset investments was also modelled and the directors do not anticipate any impairment in future periods.

At the time of signing the financial statements, the Group continues to perform ahead of its forecasts and so the directors remain positive about the future trading performance of the Group.

Following the year-end Next plc acquired a 25% interest in the group. This has been treated as a non-adjusting post balance sheet event. As part of this investment, Reiss' online and warehouse operations will move onto Next's Total Platform, with an anticipated go-live date early in the next financial period. Alongside acquiring an equity stake in the group, Next plc made a £10m cash loan to the group, with no cash repayments or interest payments being due while the current banking facilities are in place. In the year to January 2022, the group will incur costs related to the integration into Total Platform and other related, non-recurring costs. From launch, the directors are confident that the business efficiencies and process improvements made possible by Total Platform will serve as the launch pad for future growth for Reiss.

Section 172 (1) Statement

In accordance with the Companies Act 2006 (as amended by the Companies (Miscellaneous Reporting) Regulations 2018), the Directors are required to have regard to the following matters set out in Section 172 (1) of the Act, when performing their duty to promote the success of the company for the benefit of its members as a whole:

- The likely long-term consequences of any decision;
- The interests of the Group's employees;
- The need to maintain the Group's relationships with stakeholders;
- The need to maintain a reputation for high standards of business conduct;
- The impact of the Group's operations on the community and the environment; and
- The need to act fairly as between members of the Group.

Long-term consequences of decisions

The Board is committed to ensuring that the group has strong corporate governance and the directors are focussed on ensuring that the Group operates accordingly, taking into account the likely long-term consequences of decisions and also ensuring that the Group acts fairly as between its members.

The Board delegates day-to-day management and decision making to the senior management team, but it maintains detailed oversight of the Group's performance and reserves to itself specific matters for approval, such as significant new business initiatives and capital expenditure. The Board also holds regular meetings which ensures the directors are able to closely monitor performance and the impact of its decisions.

During the year, the Board has ensured that all such decisions have been made in support of promoting the long-term, sustainable growth of Reiss, in line with its medium and long-term forecasts. The financial results in this period are demonstrative of the positive impact of the Board's decisions over the past few years.

Section 172 (1) Statement (continued)

Interests of employees

The Board recognises that our employees are vital to the success of the Group in delivering high-quality products and service to our customers and in maintaining the Group's reputation for high standards of business conduct. As such, the directors ensure that, when taking key decisions such as new business opportunities or changes in strategic direction, the interests of the Group's employees are considered.

The Directors are committed to building an open, transparent and inclusive culture, so that our teams understand the 'why and how' of what we do. The Directors also ensure that employees are kept informed of business decisions and developments as soon as is practicable. The Group's People & Culture Director forms part of the senior management team to which day-to-day decision making is delegated by the Board, helping to ensure that employee interests are properly considered when taking business decisions. Principal decisions, such as strategic matters which affect the Company or Group as a whole would be reserved to the Board. This is in line with the Board's view that every single employee makes an important contribution to the success of the Group.

The Group is committed to helping our employees improve their skills and knowledge. The 'Reiss Academy' provides a range of on-demand learning and development opportunities and the Group also offers a management and leadership development programme to our managers and team leaders. In the year to January 2021, 16 employees completed a six-month course building up their management skills.

The Group runs an annual engagement survey which is followed by regular focus groups in order that our people have a voice which is listened to. The group also operates a company-wide intranet, holds regular "Town Hall" meetings and provides regular communications on business developments to ensure employees are aware of company performance and how their work contributes to the Group's success. The results of the annual survey consistently show that employees are proud to work for Reiss and are aligned with the Board in promoting the long-term success of the Group. The 'Reiss Recognises' programme allows the successes and excellent performance of employees to be publicly recognised and viewed by their peers. The commitment to ensuring that the Group's employees are highly skilled and positively engaged with the aims of the Group helps to ensure that Reiss' excellent reputation for product quality, customer services and business conduct is maintained.

The COVID-19 pandemic had a huge impact on the Group and the way in which our employees work. The People & Culture Team, supported by the Board, have worked to ensure that all employees have been able to work safely and securely, whether at home or in our offices and warehouses where necessary. In particular, work was undertaken to ensure safety in our warehouse and, by focussing on the needs of our employees, we were able to keep our website operational which was crucial for the business. Given the uncertainty created by the pandemic, the Board ensured that regular emails and virtual "Town Hall" briefings were held to keep employees informed of the latest developments.

Section 172 (1) Statement (continued)

Maintaining relationships with stakeholders

The Group also works with a number of key stakeholder groups, specifically suppliers, landlords, wholesale and concession partners and our customers. When taking key business decisions, such as new business opportunities, selecting suppliers and product design, the Board and senior management team consider these stakeholder groups, with the aim of ensuring that the interests of the Group and its stakeholders are aligned.

The Board is committed to building positive and constructive partnerships with all of these stakeholders and to maintinaing the Group's reputation for high standards of business conduct. The Board takes a direct role in managing these groups, through both Board meetings and regular discussions with the Senior Management Team, ensuring our employees are highly skilled and by being transparent in our stakeholder relationships. Decisions regarding the key stakeholders will often be key business decisions which are reserved to the Board, ensuring further oversight by the Directors. This allows us to work flexibly with our suppliers in order to ensure high quality product is delivered at the right time to meet the needs of our customers. We engage on a daily basis with our suppliers and have built strong partnerships that contribute to our mutual success.

During 2020-21, as the pandemic took hold, the Board ensured that an open and transparent dialogue was maintained with our key suppliers. As a result of our strong relationships, Reiss was able to agree revised payment terms and cancel or defer certain production orders helping to ensure both Reiss and our suppliers were able to move forward together through the pandemic. This openness and collaboration has also ensured that we are in a good position as we look to increase order volumes as we emerge from the pandemic.

Similarly, the Board was very proactive in engaging with our landlords as stores were forced to close during the first lockdown. The Group was able to agree rent relief with virtually all of our landlords and we also continued to open new sites where appropriate.

Reiss' customers are central to the success of the business and the Group is focussed on delivering the high-quality, good value clothing to our customers, in the right place at the right time. This focus has, in the years leading up to the current year, delivered strong growth culminating in a record year last year. Through the pandemic, the Group has maintained this commitment and worked hard to find new ways of reaching customers and ensuring that our product adapts to meet the changing needs of our customers. The Board is confident that this focus has delivered good performance through the pandemic and puts the Group in a strong position to grow as the economy rebounds as restrictions are eased.

The Directors are confident that this focus on our stakeholders is key to contributing towards the long-term, sustainable success of the Group.

Impact on communities and the environment

Reiss is conscious of the impact we have on the community and environment. The Group operates an internal social responsibility scheme, 'Reiss Gives Back', while also ensuring our working practices are in line with our corporate responsibility statements which are publicly shared on our website. In 2019, Reiss became a full member of the Ethical Trading Initiative. This ensures that the Group is held to a high standard of ethical practice within our business and throughout our supply chain.

The Directors are aware of the impact of fashion on the environment and ensure that sustainable practices are promoted and considered when making decisions. For example, in 2020, Reiss joined the 'Better Cotton Initiative', helping to ensure that fabrics will be sourced sustainably. In order to build on the work of the past couple of years, the Board is in the process of appointing a CSR & Sustainability specialist, who will help to drive the sustainability agenda forward.

Section 172 (1) Statement (continued)

Impact on communities and the environment (continued)

The COVID-19 pandemic highlighted more than ever the importance of community and Reiss, as a brand, is committed to making a positive impact on the communities in which we operate. During 2020, the NHS worked tirelessly, under enormous pressure, to help keep us all safe. The Group made donations of 10,000 facemasks and 3,000 scrubs to the NHS and also made a donation of fabric to Style for Soldiers to provide scrubs for surgeons. In recognition of the work of frontline healthworkers, the Directors decided to donate the profits on the sale of Reiss face masks to the NHS. Collectively, these measures have provided support to our communities and also our supply chain during the COVID-19 pandemic.

Streamlined energy & carbon reporting (SECR)

Under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, the group is required to report of its energy usage and greenhouse gas emissions.

The following figures will be used to form an energy usage and greenhouse gas emissions baseline for the group as this is the group's first year of reporting under these regulations. This reporting covers the 52 week period ending on 30 January 2021.

The below table sets out the energy consumption of the group during the period and these amounts are then used to calculate greehouse gas emissions:

Type of consumption	2021 consumption (kWhr)
Electricity	3,033,027
Gas	344,238
Fuel in company cars	92,921
Total	**3,470,186**

The resulting greenhouse gas emissions from the above usage are as follows:

Type of consumption	2021 emissions (tCO2e)
Electricity - scope 2	707
Gas - scope 1	71
Fuel in company cars - scope 1	22
Total CO2e emissions	**800**
Intensity measure	
kgCO2e per square foot	**4.92**

Scope 1 - emissions from combustion of gas

Natural gas consumption is quantified, as detailed above in kWh, and is then converted to kgCO2e using the conversion factors for the reporting period in question, as provided by Defra for 2020, as the majority of the financial year is in the calendar year 2020. The vast majority of sites operated by the group are only supplied with electricity and only sites where Reiss is responsible, and directly charged, for gas are included. Consumption has been calculated with reference to invoices received from suppliers in respect of the reporting period.

Streamlined energy & carbon reporting (SECR) (continued)

Scope 1 - emissions from company cars

The group has several cars leased for the purposes of business travel and mileage estimates provided by those employees who use such cars has been used in this reporting, as mileage data was not available in the reporting period. This mileage has then been converted into kgCO2e based on vehicle type and into kWh using the appropriate factors for the reporting period in question, as provided by Defra for the calendar year 2020.

Scope 2 - emissions from purchased electricity

Consumption has been quantified, as detailed above in kWh, and is then converted to kgCO2e using the conversion factors for the reporting period in question, as provided by Defra for the calendar year 2020. The data collected only relates to sites where Reiss is responsible, and directly charged, for electricity. Sites where Reiss pays a service charge, but information is not provided as to consumption, have not been included and the data presented relates only to relevant sites in the UK. The square footage of these sites, which are principally the group's concession sites and a limited number of shopping centre locations, is excluded from the intensity metric. Consumption has been calculated with reference to invoices received from suppliers in respect of the reporting period.

Intensity measure and steps to improve energy efficiency

Reiss is committed to improving energy efficiency as we will report on a benchmarking metric, being CO2 equivalent emissions per square foot of retail space. Given the impact of the Covid-19 global pandemic on the activity of the group in the reporting period, the directors will consider whether this baseline should be updated as trade returns to a more normal footing in future periods.

During the reporting period, where store or office refurbishments have been carried out during the period, measures have been taken to improve energy efficiency, for example by installing energy efficient lighting. A programme of regular works is also in place to ensure that fixtures, fittings, appliances and builings are well-maintained. This helps to ensure that the group's sites are run as efficiently as possible and, as the group is a leaseholder there are limited measures available to improve efficiency further. The group is also investigating third parties who can provide additional advice, both in terms of gathering data on energy consumption and also in terms of promoting energy efficiency.

Financial key performance indicators

The group constantly monitors a number of key performance indicators to ensure optimal business performance. For example, sales and margin are monitored on a daily, weekly and monthly basis, with actual performance compared to budget, forecast and prior period.

In addition, stock holding, footfall, customer engagement and key critical paths are regularly monitored to ensure the business maintains its strong performance.

Future developments

As set out in the business review, although the COVID-19 pandemic has had a significant impact on the performance of the group, Reiss has continued to perform ahead of the market and the Board's expectations. Looking ahead, the Directors expect both revenue and profit to recover strongly this year as stores re-open and restrictions are able to be eased as the population is vaccinated.

Following the year-end Next plc acquired a 25% interest in the group. As part of this investment, Reiss' online and warehouse operations will move onto Next's Total Platform, with an anticipated go-live date early in the next financial period. Alongside acquiring an equity stake in the group, Next plc made a £10m cash loan to the group, with no cash repayments or interest payments being due while the current banking facilities are in place. These banking facilities were also re-negotiated alongside the transaction. In the year to January 2022, the group will incur costs related to the integration into Total Platform and other related, non-recurring costs. From launch, the directors are confident that the business efficiencies and process improvements made possible by Total Platform will serve as the launch pad for future growth for Reiss.

This report was approved by the board on 13 September 2021 and signed on its behalf.

J. N. Blanchard
Director

WP R MIDCO 1 LIMITED

DIRECTORS' REPORT
FOR THE 52 WEEK PERIOD ENDED 30 JANUARY 2021

The directors are responsible for preparing the Annual Report and Consolidated Financial Statements and the financial statements in accordance with applicable law and regulation.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 company and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 group and company will continue in business.

The directors are responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

DIRECTORS' CONFIRMATIONS

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the group and company's auditors are unaware; and
- they have 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 group's and company's auditors are aware of that information.

WP R MIDCO 1 LIMITED

DIRECTORS' REPORT
FOR THE 52 WEEK PERIOD ENDED 30 JANUARY 2021

RESULTS AND DIVIDENDS

The loss for the period, after taxation, amounted to £33,427,000 (2020 restated: £4,783,000).

The directors do not recommend the payment of a dividend (2020: £Nil).

DIRECTORS

The directors of the company who were in office during the period and up to the date of signing the financial statements were:

C. Angelides
J. N. Blanchard

STRATEGIC REPORT

The directors have included details of the group's use of financial instruments, future developments, financial risk management and operations and principal activities within the Group Strategic Report.

EMPLOYEE INVOLVEMENT

The group engages with its employees in a number of ways in order to ensure maximum performance. As set out in the Section 172 (1) Statement in the Strategic Report, the Board ensures that employees' interests are considered when making decisions and the directors are committed to delivering a transparent corporate culture, recognising that the group's employees are vital to the success of the business.

DISABLED EMPLOYEES

Recruitment and promotion are determined solely on personal merit and effective performance of the job requirements. No applicant or employee will be treated less favourably than another on the grounds of disability.

OTHER STAKEHOLDER ENGAGEMENT

As set out in the Section 172 (1) Statement in the Strategic Report, the Group engages with a range of stakeholders during the course of its operations and is committed to building transparent and collaborative business relationships in order to help the Group deliver continued success.

DIRECTORS' INSURANCE AND INDEMNITIES

The Group has entered into qualifying third party indemnity arrangements for the benefits of all of its directors. These arrangements were in place during the financial period and remain in place as at the date of signing these financial statements.

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP, were appointed as auditors during the period. Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

This report was approved by the board on 13th September 2021 and signed on its

J. N. Blanchard
Director

Independent auditors' report to the members of WP R Midco 1 Limited

Report on the audit of the financial statements

Opinion

In our opinion, WP R Midco 1 Limited's group financial statements and company financial statements (the "financial statements"):

- *give a true and fair view of the state of the group's and of the company's affairs as at 30 January 2021 and of the group's* loss and the group's cash flows for the 52 week period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Consolidated Financial Statements (the "Annual Report"), which comprise: the consolidated and company balance sheets as at 30 January 2021; the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated and company statements of changes in equity for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the period ended 30 January 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' 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 auditors' 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.

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

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to tax legislation, UK data protection laws such as the Data Protection Act 2018 and employment law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fraudulent financial reporting, including but not limited to revenue overstatement or inappropriate classification of costs through posting manual journal entries to manipulate results and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management, including considerations of any known or suspected fraud or instances of non-compliance with laws and regulations
- Understanding and evaluating management's controls designed to prevent and detect irregularities
- Evaluation of assumptions made by management in determining significant financial estimates, and challenge to the assumptions used by management
- Identification and testing of unusual journal entries, specifically those with unusual account combinations impacting revenue or costs reclassification

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

R. Moxon

Rachael Moxon (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
14 September 2021

WP R MIDCO 1 LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 52 WEEK PERIOD ENDED 30 JANUARY 2021

	Note	52 week Period 30 January 2021 £000	*52 week Period ended 1 February 2020 (restated)* £000*
Turnover	4	170,680	*226,527*
Cost of sales		(78,192)	*(87,411)*
Gross profit		92,488	*139,116*
Administrative expenses		(120,091)	*(138,033)*
Other operating income	5	6,298	*118*
Fair value movements	6	(1,134)	*60*
Operating (loss)/profit before exceptional costs		(22,441)	1,261
Exceptional and other operating charges	7	(9,971)	*(397)*
Operating (loss)/profit	8	(32,412)	*864*
Interest receivable and similar income	12	4	*34*
Interest payable and similar expenses	13	(3,801)	*(4,004)*
Loss before taxation		(36,209)	*(3,106)*
Tax on loss	14	2,782	*(1,677)*
Total comprehensive loss for the financial period		(33,427)	*(4,783)*

The notes on pages 21 to 48 form part of these financial statements.

There were no items of other comprehensive income in 2020-21.

* Details of the prior year restatement are found in note 2.1.

Company number: 10075594

WP R MIDCO 1 LIMITED

CONSOLIDATED BALANCE SHEET
AS AT 30 JANUARY 2021

	Note	30 January 2021 £000		*1 February 2020 (restated)** £000	
Fixed assets					
Intangible assets	16		97,617		*115,993*
Tangible assets	17		15,388		*18,786*
			113,005		*134,779*
Current assets					
Stocks	19	43,740		*40,201*	
Debtors: amounts falling due within one year	20	14,765		*15,363*	
Cash at bank and in hand	21	14,200		*18,448*	
		72,705		*74,012*	
Creditors: amounts falling due within one year	22	(72,283)		*(67,167)*	
NET CURRENT ASSETS			422		*6,845*
TOTAL ASSETS LESS CURRENT LIABILITIES			113,427		*141,624*
Creditors: amounts falling due after more than one year	23		(57,200)		*(49,000)*
Provisions for liabilities					
Deferred taxation	27		(9,549)		*(12,519)*
NET ASSETS			46,678		*80,105*
Capital and reserves					
Called up share capital	28		138,320		*138,320*
Profit and loss account			(91,642)		*(58,215)*
Total shareholders' funds			46,678		*80,105*

The financial statements on pages 15 to 48 were approved and authorised for issue by the board and were signed on its behalf on ..13th September 2021.

The notes on pages 21 to 48 form part of these financial statements.

* Details of the prior year restatement are found in note 2.1.

J. N. Blanchard
Director

C. Angelides
Director

Company number: 10075594

WP R MIDCO 1 LIMITED

COMPANY BALANCE SHEET
AS AT 30 JANUARY 2021

	Note	30 January 2021 £000	30 January 2021 £000	*1 February 2020 £000*	*1 February 2020 £000*
FIXED ASSETS					
Investments	18		138,320		*138,320*
			138,320		*138,320*
CURRENT ASSETS					
Debtors: amounts falling due within one year	20	5,286		*5,286*	
Creditors: amounts falling due within one year	22	(5,286)		*(5,286)*	
NET CURRENT ASSETS			-		-
TOTAL ASSETS LESS CURRENT LIABILITIES			138,320		*138,320*
CAPITAL AND RESERVES					
Called up share capital	28		138,320		*138,320*
TOTAL SHAREHOLDERS' FUNDS			138,320		*138,320*

The Company's result in the year was £nil (2020: £nil).

The financial statements on pages 15 to 48 were approved and authorised for issue by the board and were signed on its behalf on 13 September 2021.

The Company has not presented a separate Statement of Comprehensive Income, as permitted by Section 408 of the Companies Act 2006.

The notes on pages 21 to 48 form part of these financial statements.

J. N. Blanchard
Director

C. Angelides
Director

WP R MIDCO 1 LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 52 WEEK PERIOD ENDED 30 JANUARY 2021

	Called up share capital £000	Profit and loss account (restated)* £000	Total shareholders' funds (restated)* £000
At 2 February 2020	138,320	(56,621)	81,699
Prior year restatement	-	(1,594)	(1,594)
At 2 February 2020 (restated)	138,320	(58,215)	80,105
Loss for the period and total comprehensive expense	-	(33,427)	(33,427)
At 30 January 2021	138,320	(91,642)	46,678

** Details of the prior year restatement are found in note 2.1.*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 52 WEEK PERIOD ENDED 1 FEBRUARY 2020

	Called up share capital £000	Profit and loss account (restated)* £000	Total shareholders' funds (restated)* £000
At 3 February 2019	138,320	(51,894)	86,426
Prior year restatement amount	-	(1,538)	(1,538)
At 3 February 2019 (restated)	138,320	(53,432)	84,888
Loss for the period and total comprehensive expense	-	(4,727)	(4,727)
Prior year restatement amount	-	(56)	(56)
Loss for the period and total comprehensive expense (restated)	-	(4,783)	(4,783)
At 1 February 2020	138,320	(58,215)	80,105

The notes on pages 21 to 48 form part of these financial statements.

As set out in the directors' report, the directors do not propose a dividend (2020: £nil).

* Details of the prior year restatement are found in note 2.1.

WP R MIDCO 1 LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEK PERIOD ENDED 30 JANUARY 2021

	Called up share capital £000	Profit and loss account £000	Total shareholders' funds £000
At 2 February 2020	138,320	-	138,320
At 30 January 2021	**138,320**	**-**	**138,320**

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEK PERIOD ENDED 1 FEBRUARY 2020

	Called up share capital £000	Profit and loss account £000	Total shareholders' funds £000
At 3 February 2019	138,320	-	138,320
At 1 February 2020	**138,320**	**-**	**138,320**

The notes on pages 21 to 48 form part of these financial statements.

WP R MIDCO 1 LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 52 WEEK PERIOD ENDED 30 JANUARY 2021

	Note	52 week period ended 30 January 2021 £000	*52 week period ended 2 February 2020 (restated)* £000*
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the financial period		(33,427)	*(4,783)*
ADJUSTMENTS FOR:			
Amortisation of intangible assets	16	18,426	*18,424*
Impairments of tangible assets	17	470	*593*
Depreciation of tangible assets	17	7,275	*7,265*
Amortisation of capitalised loan fees	20	1,010	*971*
Interest expense	13	3,801	*4,004*
Interest income	12	(4)	*(34)*
Fair value movement on derivatives	6	1,134	*(60)*
De-consolidation of Hong Kong tangible assets		692	-
Taxation (credit)/charge	14	(2,782)	*2,074*
Increase in stocks	19	(3,539)	*(7,900)*
Decrease in debtors	20	(244)	*1,336*
Increase in creditors	22	9,187	*2,775*
Corporation tax paid	22	(894)	*(2,839)*
NET CASH GENERATED FROM OPERATING ACTIVITIES		1,305	*21,826*
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of intangible assets	16	(50)	*(57)*
Purchase of tangible fixed assets	17	(5,039)	*(8,026)*
Interest received	12	4	*34*
NET CASH USED IN INVESTING ACTIVITIES		(5,085)	*(8,049)*
CASH FLOWS FROM FINANCING ACTIVITIES			
New secured loans	25	3,333	-
Repayment of loans	25	-	*(3,200)*
New finance leases	26	-	*7*
Interest paid	13	(3,801)	*(4,004)*
NET CASH USED IN FINANCING ACTIVITIES		(468)	*(7,197)*
(DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(4,248)	*6,580*
Cash and cash equivalents at beginning of the period	21	18,448	*11,868*
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	21	14,200	*18,448*
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD COMPRISE:			
Cash at bank and in hand	21	14,200	*18,448*

* Details of the prior year restatement are found in note 2.1.

1 GENERAL INFORMATION

WP R Midco 1 Limited (Company number 10075594), having its registered office at Reiss Building, 12 Picton Place, London W1U 1BW, is a private company limited by shares incorporated in the United Kingdom. The Company's and Group's principal place of business is Reiss Building, 12 Picton Place, London, W1U 1BW.

2 ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The consolidated financial statements have been prepared under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value, and in accordance with Financial Reporting Standard 102: "the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" (FRS 102) and the Companies Act 2006.

The financial statements have been prepared for the period from 2 February 2020 to 30 January 2021 (2020: 52 weeks from 3 February 2019 to 1 February 2020).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's and the Group's accounting policies (see note 3). Other than where new policies are adopted, the group's accounting policies have been applied consistently throughout the financial period.

Going concern

These financial statements have been prepared on a going concern basis, which assumes that WP R Midco 1 Limited ('the group') and company ('the company') will be able to meet its liabilities and continue its operations for the foreseeable future and for a period of at least 12 months from the date of approval of these financial statements.

In assessing the ability to continue as a going concern, the Board has reviewed the trading and cash flow forecasts of the group and the company against the available financing facilities and covenant compliance which include the Directors' assessment of the continuing impact of COVID-19. Although stores have re-opened and the vaccine roll-out is allowing restrictions to be eased, COVID-19 will continue to weigh on the group's performance in the coming year.

Uncertainty of future cashflows due to COVID-19

The COVID-19 global pandemic impacted Reiss from March 2020 when all of our stores closed for a prolonged period. The directors took rapid action to minimise the impact of COVID-19 on the business. Reiss traded very strongly online during the pandemic and demand online continues to be strong, following the re-opening of all of our stores. Other actions have been taken operationally in order to mitigate the financial risks to the business resulting from the pandemic. Non-essential investment projects were postponed and a wide-ranging exercise has been undertaken to identify and implement cost savings across the business.

The Group has also taken full advantage of various government support schemes worldwide including furlough schemes and certain UK grants, resulting in other income (note 5) of £6.1m. In addition, the group was grateful to receive support from both landlords and government in terms of rent relief for closure periods and the UK business rates holiday. This provided an additional £8.9m in support. As a result of all of these steps, the Group has operated within its current banking facilities, without the need for additional borrowing, and the directors have also ensured that the business is right-sized and well placed to react quickly in order to maximise opportunities as a new normal emerges following the pandemic.

2 ACCOUNTING POLICIES (CONTINUED)

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONTINUED)

Uncertainty of future cashflows due to COVID-19 (continued)
Reiss has consistently performed ahead of expectations throughout the pandemic, adapting to changing customer behaviour, both in terms of product mix and channel mix. However, despite the success of the vaccine roll out and the moves towards releasing restrictions and moving towards a "new normal", the directors are aware that there remains a risk of future set-backs which could impact future cash flows and profit.

The Directors have modelled a number of severe but plausible downside sales, profit and liquidity scenarios to assess the impact of a new worldwide lockdown and the resulting store closures. Two scenarios have been modelled:

- A slower store footfall recovery which assumes all stores and concessions worldwide remain at minus 20% of sales to the pre-pandemic year on a like-for-like basis; and
- A worldwide lockdown for a 3 month period in the Winter, between November 2020 and January 2021, resulting in all of our physical points of sale, worldwide, closing.

Financing

The group is partially financed by a bank loan facility agreement secured by a fixed and floating charge over the assets of the Group and unlimited cross guarantees from other group undertakings. The banking facilities include a number of financial covenants, tested on a quarterly basis.

In both of the above severe but plausible downside scenarios, our modelling indicates that the group and company has sufficient liquidity to continue to trade as a going concern and all bank covenant tests are complied with.

Given the success of the vaccine roll-out, progress in removing social contact restrictions, the Directors consider that the above modelling demonstrates that the Group is extremely secure from a liquidity and financing perspective and, as such, the Directors are confident that the going concern assumption is appropriate and that all banking covenants will continue to be complied with.

At the time of signing these financial statements, the group continues to perform ahead of its forecasts and so the directors remain positive about the future trading performance of the group.

Accordingly, based on the above, the Directors consider the going concern assumption in the preparation of the group and company's financial statements as appropriate as at the date of approval of these 2021 financial statements. The financial statements do not include the adjustments that would result if the group or company was unable to continue as a going concern.

Prior year restatement

Prior to 30 January 2021, it has been noted that the group's returns policy had been incorrectly applied, resulting in the returns provision being understated at the balance sheet date. A prior year restatement has therefore been made in order to restate the results for the period ending 1 February 2020. As a result of this, prior year revenue has been reduced by £911,000, gross profit by £586,000, administrative expenses £134,000 and taxation by £397,000. An amount of £1,534,000 related to the period prior to that ending on 1 February 2020 has been charged directly to reserves. This is broken down as a reduction in revenue of £2,715,000, gross profit of £1,748,000 and administrative expenses of £215,000. On the balance sheet, other creditors have been increased by £1,991,000 and the corporation tax creditor has been reduced by £397,000.

2 ACCOUNTING POLICIES (CONTINUED)

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements present the results of WP R Midco 1 Limited ("the Company") and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The investments detailed in note 18 have been accounted for using the purchase method accounting principles set out in FRS 102.

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to conditions.

The Company has taken advantage of the following exemptions in its individual financial statements:

- from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Company's cash flows; and
- from the financial instrument disclosures, required under FRS 102 paragraphs 11.41(b), 11.4(c), 11.41(e), 11.41(f), 11.42, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A, as the information is provided in the consolidated financial statement disclosures.

The Group financial statements do not include a separate Statement of Comprehensive Income for the Company, as permitted by Section 408 of the Companies Act 2006. The amount of group profit attributable to the Company is shown in note 15 to the financial statements.

Except where stated, information reported in the notes to the financial statements relates to the Group.

2.3 TURNOVER

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

At the balance sheet date, a provision for returns estimated to be made by customers in line with the group's returns policy is made. This provision is based on current and expected returns rates.

Sales of gift cards are not recognised in revenue until the gift cards are redeemed in stores or online.

2 ACCOUNTING POLICIES (CONTINUED)

2.4 INTANGIBLE ASSETS

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. The amortisation of intangible assets is recognised in administrative expenses on the Consolidated Statement of Comprehensive Income.

Acquired brand values are held on the Balance Sheet initially at cost. Definite life intangibles are amortised on a straight line basis over their estimated useful lives. Any impairment in value is recognised within the Consolidated Statement of Comprehensive Income.

The estimated useful lives range as follows:

Web domains - 4 years
Brands - 10 years
Goodwill - 10 years
Trademarks - 10 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

2.5 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Consolidated Statement of Comprehensive Income during the period in which they are incurred.

Depreciation is provided on the following basis:

Leasehold land and buildings - the life of the lease
Fixtures and equipment - the life of the lease or 4 years, according to the nature of the asset
Motor vehicles - 4 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'administrative expenses' in the Consolidated Statement of Comprehensive Income.

2 ACCOUNTING POLICIES (CONTINUED)

2.6 INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares.

2.7 STOCKS

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

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 Consolidated Statement of Comprehensive Income.

2.8 RELATED PARTY TRANSACTIONS

Directors' remuneration is disclosed in note 11 and other related party transactions are disclosed in note 34 to the financial statements.

Transactions between businesses within this Group which are related parties have been eliminated on consolidation and are not disclosed.

As all of the company's voting rights are controlled by Pink Topco Limited and it is a wholly owned subsidiary, the company has taken advantage of the exemption contained in FRS 102 para.33.1A and has therefore not disclosed transactions or balances with entities which are wholly owned within the same group.

2.9 EXPENSES

Expenses are recognised on an accruals basis where the group has a present obligation arising as a result of a past event and where settlement is expected to result in an outflow of economic resources.

2.10 DEBTORS

Short term debtors are measured at transaction price, less any impairment.

2.11 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2 ACCOUNTING POLICIES (CONTINUED)

2.12 FINANCIAL INSTRUMENTS

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the Balance Sheet date.

The Group uses forward exchange contracts for hedging purposes. As contracts are taken out to cover general currency exposure rather than to match specific transactions, the Group treats a forward contract separately from other transactions. The premium or discount arising on each contract is accounted for over the life of the contract and the contract is marked to market as the contract progresses. At the end of each financial period, the fair value of any forward exchange contracts which are yet to be closed is recognised as either a financial asset or a financial liability. The basis of valuation is the relevant forward exchange rate at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial instruments are recognised in line with sections 11 and 12 of FRS 102.

2.13 CREDITORS

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2 ACCOUNTING POLICIES (CONTINUED)

2.14 FOREIGN CURRENCY TRANSLATION

Functional and presentational currency

The Group and Company's functional and presentational currency is British Pound Sterling (GBP).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated Statement of Comprehensive Income within 'administrative expenses'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.15 FINANCE COSTS

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.16 OPERATING LEASES: THE GROUP AS A LESSEE

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

Rent free periods and any rent relief received is accounted for in accordance with the requirements of FRS 102. In respect of any rent concessions ocurring as a direct result of the COVID-19 pandemic, rent concessions are reflected in the period to which they relate within the Statement of Comprehensive Income, rather than being spread over the life of the lease if, and only if, all of the following conditions are met:

- The change in lease payments results in the revised consideration for the lease being less than the
- Any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- There is no significant change to other terms and conditions of the lease.

2 ACCOUNTING POLICIES (CONTINUED)

2.17 OPERATING LEASES: THE GROUP AS LESSEE (CONTINUED)

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the Consolidated Statement of Comprehensive Income over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the Statement of Comprehensive Income over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

2.18 PENSIONS

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.19 HOLIDAY PAY 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.

2.20 INTEREST INCOME

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2.21 BORROWING COSTS

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the period in which they are incurred.

2.22 EXCEPTIONAL ITEMS

Exceptional items are disclosed separately in the Statement of Comprehensive Income where it is necessary to do so in order to provide additional understanding of the financial performance of the group. Items which are not considered part of the normal operating costs of the business, are non-recurring and are exceptional because they are judged to be material, non-recurring and outside the normal course of day to day business.

Exceptional items this year include property-related items such as onerous lease provisions or asset impairments. Other exceptional items include one-off non-recurring legal, advisory and re-organisation related costs and costs specifically relating to the impact of Covid-19 on the business. As described in the Strategic report the Covid-19 pandemic has had a substantial impact on the Group's operations. As a result, the Group has incurred significant costs which have been separately recognised in exceptional items, in accordance with the Group's accounting policy.

2 ACCOUNTING POLICIES (CONTINUED)

2.23 EQUITY

Ordinary shares are classified in equity and the profit and loss account represents the cumulative net gains and losses recognised in the income statement.

2.24 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the period that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.25 GOVERNMENT GRANT INCOME

Government grant income received is recognised by the group under the performance model, such that grants that do not impose future performance-related conditions on the recipient is recognised in income when the grant proceeds are received or receivable. Where future performance-related conditions are imposed on the recipients, such grants are recognised in income when these conditions have been met.

2.26 CURRENT AND DEFERRED TAXATION

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

2 ACCOUNTING POLICIES (CONTINUED)

2.27 CONTINGENT LIABILITIES

The directors recognise a contingent liability where either a possible obligation exists but is contingent on some uncertain future event ocurring or where a present obligation exists but payment is not probable or the amount cannot be measured reliably.

3 JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Stock Provisions

The directors make full provision against stock and fabric items which are older than six seasons and, as it is judged that the estimated selling price less costs to complete and sell is nil. The directors also consider if any other stock and fabric items are impaired and make a further provision accordingly.

Returns provision

The directors make a provision for returns expected to be made after the balance sheet date, based on their best view of rates of return.

Impairment of tangible assets

The directors undertake an annual impairment review on tangible fixed assets and make a provision where it is judged the carrying value of an asset is higher than the present value of the future cash flows it will generate.

Dilapidations provision

The directors consider the requirements to recognise a dilapidations provision based on planned changes to the estate and, where it is judged that a dilapidations cost is likely to be incurred, a provision is recognised.

Onerous lease provision

The directors consider the requirements to recognise an onerous lease provision in respect of poor performing store leases where it is considered likely that a positive return will not be generated over the course of the lease.

Exceptional items

The directors recognise exceptional items separately in the profit and loss where they are judged to be material, non-recurring and outside of the normal course of day to day business.

4 TURNOVER

An analysis of turnover by class of business is as follows:

	52 week period ended 30 January 2021	*52 week period ended 1 February 2020 (restated)**
	£000	*£000*
Fashion retail	**170,680**	*226,527*

Analysis of turnover by country of destination:

	52 week period ended 30 January 2021	*52 week period ended 1 February 2020 (restated)**
	£000	*£000*
United Kingdom	**129,685**	*157,485*
Rest of the world	**40,995**	*69,042*
	170,680	*226,527*

* Details of the prior year restatement are found in note 2.1.

5 OTHER OPERATING INCOME

	52 week period ended 30 January 2021	*52 week period ended 1 February 2020*
	£000	*£000*
Net rents receivable	**161**	*118*
Furlough grants receivable	**5,758**	-
UK Local Restrictions Grants receivable	**377**	-
	6,296	*118*

During the period, the group took advantage of job support schemes, such as the UK's furlough scheme, in all markets in which it operates.

In the UK, the group was also eligible for non-refundable grants from local councils to help support businesses that were mandated to close during the pandemic as a result of government restrictions.

6 FAIR VALUE MOVEMENTS

	52 week period ended 30 January 2021 £000	*52 week period ended 1 February 2020 £000*
Financial instruments measured at fair value	(1,134)	60

The group meausures forward exchange contracts at fair value through the consolidated Statement of Comprehensive Income. In the current period, a loss of £1,134,000 was recognised (2020: gain £60,000).

7 EXCEPTIONAL AND OTHER OPERATING CHARGES

	52 week period ended 30 January 2021 £000	*52 week period ended 1 February 2020 £000*
Onerous lease and tangible asset impairment provision	3,703	*(138)*
Costs directly attributable to COVID-19	4,359	-
Restructuring and other costs	1,909	*535*
	9,971	*397*

During the period, the group made provisions for onerous leases and asset impairments, primarily in relation to loss-making international stores.

During the period the group incurred significant one-off costs related to COVID-19 totalling £4.4m. This amount included amounts in respect of additional one-off provisions against stock and fabric totalling £3.2m and other non-recurring costs directly related to the COVID-19 pandemic response including safety equipment and cleaning costs and business restructuring totalling £1.2m. In addition to these non-recurring costs directly related to the pandemic, the group also incurred costs of an exceptional nature, totalling £1.9m, related to ongoing legal and advisory projects, including costs related to the Next plc investment, which was completed after the period-end.

8 OPERATING LOSS

The operating loss is stated after charging/(crediting):

	52 week period ended 30 January 2021	52 week period ended 1 February 2020
	£000	£000
Depreciation of tangible fixed assets	7,275	7,265
Impairment of tangible assets	470	593
Amortisation of intangible assets, including goodwill	18,426	18,424
Amortisation of capitalised loan fees	1,010	971
Defined contribution pension costs	658	790
Cost of stock recognised as an expense	60,305	63,578
Furlough grant income	(5,758)	-
UK Business Rates holiday	(5,619)	-
COVID-19 related rent relief	(3,269)	-
Exchange differences	(320)	(79)
Other operating lease rentals	35,413	42,872

During the period, the group benefitted from the support of both landlords and governments as the global pandemic took hold and resulted in store closures and restrictions. The group claimed support and assistance in all markets via job support schemes such as, in the UK, furlough.

In the UK, the group benefitted from the Business Rates holiday and also certain cash grants where stores had been required to close during the various lockdowns in the period. In addition, the group negotiated with its landlords and was grateful to receive significant support in respect of enforced closure periods.

These measures and support helped to support the group from both a profitability and a liquidity perspective.

9 AUDITORS' REMUNERATION

	52 week period ended 30 January 2021	52 week period ended 1 February 2020
	£000	£000
Fees payable to the Group's auditors and its associates for the audit of the Group's annual financial statements	185	115

FEES PAYABLE TO THE GROUP'S AUDITORS AND THEIR ASSOCIATES IN RESPECT OF:

Taxation advisory services	60	73
All other services	280	180
	340	253

10 EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	52 week period ended 30 January 2021 £000	52 week period ended 1 February 2020 £000
Wages and salaries	33,930	37,275
Social security costs	3,177	3,038
Other pension costs	658	790
	37,765	41,103

The average monthly number of employees, including the directors, during the period was as follows:

	52 week period ended 30 January 2021 Number	52 week period ended 1 February 2020 Number
Administration	235	245
Sales and distribution	1,171	1,283
	1,406	1,528

The Company has no employees (2020: nil)

11 DIRECTORS' REMUNERATION

	52 week period ended 30 January 2021 £000	*52 week period ended 1 February 2020 £000*
Directors' emoluments	907	*979*

The highest paid director received remuneration of £520,000 *(2020 - £625,000)*.

No pension contributions were made to a pension scheme in respect of any directors (2020: £nil).

The directors have made an assessment and consider that there are no key management personnel other than directors.

12 OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	52 week period ended 30 January 2021 £000	*52 week period ended 1 February 2020 £000*
Other interest receivable	4	*34*

13 INTEREST PAYABLE AND SIMILAR EXPENSES

	52 week period ended 30 January 2021 £000	*52 week period ended 1 February 2020 £000*
Bank interest payable	3,801	4004
	3,801	4,004

14 TAX ON LOSS

	52 week period ended 30 January 2021 £000	*52 week period ended 1 February 2020 (restated)* £000*
CORPORATION TAX		
Current tax on loss for the period	188	3,105
Adjustments in respect of prior periods	-	(639)
TOTAL CURRENT TAX	188	2,466
DEFERRED TAX		
Origination and reversal of timing differences	(2,970)	(789)
TAX ON LOSS	(2,782)	1,677

FACTORS AFFECTING TAX CHARGE FOR THE PERIOD

The tax assessed for the period is higher (2020: higher) than the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	52 week period ended 30 January 2021 £000	*52 week period ended 1 February 2020 (restated)* £000*
Loss before taxation	(36,209)	(3,106)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(6,880)	(590)
EFFECTS OF:		
Non-tax deductible amortisation of goodwill and intangible assets	3,493	3,630
Adjustments in respect of prior period tax charge	-	(639)
Expenses not deductible for tax purposes	1,448	147
Depreciation for the period in excess of capital allowances	536	389
Non-taxable income on foreign subsidiaries	129	222
Other differences leading to an increase in the tax charge	63	42
Timing differences leading to a decrease in the tax charge	(2,970)	(789)
Prior period adjustments	-	(762)
Losses carried forward	1,395	-
Group relief	4	27
TOTAL TAX CREDIT FOR THE PERIOD	(2,782)	1,677

14 TAX ON LOSS (CONTINUED)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

Following the year-end, the Government announced that the corporation tax rate would remain at 19% until 1 April 2023, after which it would be increased to 25%. As this proposal had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

The group's carried forward tax losses will be available indefinitely to offset against future trading profits.

* Details of the prior year restatement are found in note 2.1.

15 PARENT COMPANY PROFIT FOR THE PERIOD

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The result after tax of the parent company for the period was £Nil (2020: £Nil).

16 INTANGIBLE ASSETS

Group

	Web domains	Trademarks	Brands	Goodwill	Total
	£000s	£000s	£000s	£000s	£000s
COST					
At 2 February 2020	3	427	106,758	78,304	185,492
Additions	-	50	-	-	50
At 30 January 2021	3	477	106,758	78,304	185,542
ACCUMULATED AMORTISATION					
At 2 February 2020	3	115	40,024	29,357	69,499
Charge for the period	-	43	10,604	7,779	18,426
At 30 January 2021	3	158	50,628	37,136	87,925
NET BOOK VALUE					
At 30 January 2021	-	319	56,130	41,168	97,617
At 1 February 2020	-	*312*	*66,734*	*48,947*	*115,993*

The Company holds no intangible fixed assets (2020: £nil).

17 TANGIBLE ASSETS

Group

	Leasehold Land and Buildings £000	Fixtures and Equipment £000	Motor vehicles £000	Total £000
COST OR VALUATION				
At 2 February 2020	21,411	35,151	63	56,625
Additions	224	4,815	-	5,039
Disposals	(884)	(1,623)	-	(2,507)
At 30 January 2021	20,751	38,343	63	59,157
ACCUMULATED DEPRECIATION				
At 2 February 2020	16,402	21,374	63	37,839
Charge for the period on owned assets	1,231	6,044	-	7,275
Impairment charge for the period on owned assets	102	368	-	470
Disposals	(609)	(1,206)	-	(1,815)
At 30 January 2021	17,126	26,580	63	43,769
NET BOOK VALUE				
At 30 January 2021	3,625	11,763	-	15,388
At 1 February 2020	*5,009*	*13,777*	-	*18,786*

The Company holds no intangible fixed assets (2020: £nil).

18 INVESTMENTS

Company

	Shares in group undertakings £000
Cost or valuation	
At 2 February 2020	138,320
At 30 January 2021	**138,320**
NET BOOK VALUE	
At 30 January 2021	**138,320**
At 1 February 2020	*138,320*

See note 36 for details of the subsidiary undertakings.

19 STOCKS

	Group 30 January 2021 £000	*Group 1 February 2020 £000*	Company 30 January 2021 £000	*Company 1 February 2020 £000*
Work in progress	268	*263*	-	-
Finished goods and goods for resale	43,472	*39,938*	-	-
	43,740	*40,201*	-	-

Stock recognised in cost of sales during the 52 week period as an expense was £60,305,000 (2020 restated: £63,578,000).

Included within finished goods is a provision for obsolescence of £2,671,000 (2020: £769,000).

20 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 30 January 2021 £000	*Group 1 February 2020 £000*	Company 30 January 2021 £000	*Company 1 February 2020 £000*
Trade debtors	8,007	*5,287*	-	-
Amounts owed by group undertakings	94	-	5,286	*5,286*
Corporation tax	168	-	-	-
Other debtors	4,498	*5,603*	-	-
Prepayments and accrued income	1,998	*4,473*	-	-
	14,765	*15,363*	5,286	*5,286*

Amounts owed by group undertakings are unsecured and payable on demand. Interest is charged annually at the short term applicable federal rate of 1.60% (2020: 2.72%).

Included within other debtors are capitalised transaction costs of £4,906,000 on the bank loan. These costs are being unwound on a straight line basis to the date of repayment, being 4 May 2022.

Trade debtors are stated after provision for impairment of £81,000 (2020: £nil).

21 CASH AT BANK AND IN HAND

	Group 30 January 2021 £000	*Group 1 February 2020 £000*	Company 30 January 2021 £000	*Company 1 February 2020 £000*
Cash at bank and in hand	14,200	*18,448*	-	-

22 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 30 January 2021	*Group 1 February 2020 (restated)**	Company 30 January 2021	*Company 1 February 2020*
	£000	*£000*	£000	*£000*
Bank loans and overdrafts	5,333	10,200	-	-
Trade creditors	19,585	9,583	-	-
Amounts owed to group undertakings	3,186	8,382	5,286	5,286
Corporation tax	-	338	-	-
Other taxation and social security	3,863	6,423	-	-
Provisions (note 24)	13,494	8,842	-	-
Other creditors	3,585	3,830	-	-
Accruals and deferred income	23,237	19,569	-	-
	72,283	67,167	5,286	5,286

Amounts owed by group undertakings are unsecured and payable on demand. Interest is charged annually at the short term applicable federal rate of 1.60% (2020: 2.72%).

Information regarding the security on the loans is given in note 25.

Included in other creditors is the fair value of forward exchange contracts of £601,000 (2020: asset £533,000).

* Details of the prior year restatement are found in note 2.1.

23 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 30 January 2021	*Group 1 February 2020*	Company 30 January 2021	*Company 1 February 2020*
	£000	*£000*	£000	*£000*
Bank loans and overdrafts (note 25)	57,200	49,000	-	-
	57,200	49,000	-	-

24 PROVISIONS FOR LIABILITIES

	Group 30 January 2021	*Group 1 February 2020 (restated)**	Company 30 January 2021	*Company 1 February 2020*
	£000	*£000*	£000	*£000*
Onerous leases	8,973	6,398	-	-
Dilapidations	664	278	-	-
Returns	2,224	1,991	-	-
Stock payables and fabric provision	1,310	-	-	-
Other	323	175	-	-
	13,494	8,842	-	-

As set out in note 7 to the financial statements, during the period the group increased the onerous lease provision held in respect of predominantly non-UK stores.

The amount of £2,224,000 (2020 restated: £1,991,000) provided for returns is calculated based on the value of items bought before the end of the period that are estimated to be returned after the end of the period.

Dilapidations are recognised on stores where there is a plan to exit in the short to medium term and where the directors reasonably expect dilapidation costs to be incurred.

The stock payables and fabric provision relates to contracted future fabric purchases related to production that was cancelled during the pandemic and a provision against a stock supplier balance.

Included within other are provisions for legal and advisory matters at the balance sheet date.

* Details of the prior year restatement are found in note 2.1.

Movements in provisions during the financial period are set out in the below table:

	Onerous leases	Other	Returns	Stock & fabric	Dilapidations
	£000	£000	£000	£000	£000
Provision at 2 February 2020 (restated)	6,398	175	1,991	-	278
Additions	2,999	241	2,224	1,310	425
Utilised during the year	-	(23)	-	-	(14)
Unwind of provision	(424)	(70)	(1,991)	-	(25)
Provision at 30 January 2021	8,973	323	2,224	1,310	664

25 LOANS

Analysis of the maturity of the loans is given below:

	Group 30 January 2021 £000	Group 1 February 2020 £000	Company 30 January 2021 £000	Company 1 February 2020 £000
Amounts falling due within one year				
Bank loans	5,333	10,200	-	-
Amounts falling due 2-5 years				
Bank loans	57,200	49,000	-	-
Amounts falling after more than 5 years				
Bank loans	-	-	-	-
	62,533	59,200	-	-

The Group maintains a bank loan which is secured by a fixed and floating charge over the assets of the Group, charges over credit balances held by the Group and unlimited cross guarantees to Lloyds Bank PLC from other group undertakings.

Of the outstanding loan, £57,200,000 is due for repayment after 2 years. The annual rate of interest on this instalment is 5% over the term reference rate which, at the date of signing these accounts is LIBOR.

26 HIRE PURCHASE AND FINANCE LEASES

The Company has no minimum lease payments due under hire purchase arrangements.

Minimum lease payments under hire purchase fall due for the Group as follows:

	Group 30 January 2021 £000	Group 1 February 2020 £000
Within one year	7	7
	7	7

27 DEFERRED TAXATION

Group

	Deferred tax £000
At 2 February 2020	(12,519)
Credited to the profit or loss	2,970
At 30 January 2021	**(9,549)**

The deferred taxation balance is made up as follows:

	Group 30 January 2021 £000	*Group 1 February 2020 £000*	Company 30 January 2021 £000	*Company 1 February 2020 £000*
Accelerated capital allowances	239	*380*	-	-
Unrealised gain on FX contracts	114	*(90)*	-	-
Recognition of brand value	(10,664)	*(12,794)*	-	-
Carried forward tax losses	763	-	-	-
Uplift in value of fixed assets	(1)	*(15)*	-	-
	(9,549)	*(12,519)*	-	-

28 CALLED UP SHARE CAPITAL

	30 January 2021 £000	*1 February 2020 £000*
Allotted, called up and fully paid		
138,320,286 (2020: 138,320,286) - Ordinary shares of £1 each	138,320	*138,320*

On incorporation, 138,320,286 Ordinary shares of £1 each were issued fully paid at par.

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

29 FINANCIAL INSTRUMENTS

Financial liabilities measured at fair value through profit or loss comprise forward foreign exchange contracts totalling £601,000 (2020: asset £533,000).

Financial assets measured at amortised cost comprise trade debtors, other debtors, cash at bank and in hand totalling £26,799,000 (2020: £29,338,000).

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, amounts owed by group undertakings, accruals, bank loans and hire purchase obligations totalling £125,620,000 (2020 restated: £109,406,000).

30 CONTINGENT LIABILITIES

The Company has provided a deed to provide security of a fixed and floating charge over its assets to Barclays Bank Plc, ING Bank N.V. and Lloyds Bank Plc in respect of bank borrowings of WP R Holdco Limited. At the period end, a contingent liability exists to the extent of WP R Holdco Limited's indebtedness to the aforementioned banks of £62.5m (2020: £59.2m).

A subsidiary of the Company has received an adverse ruling from US Customs & Border Protection in respect of duty exemptions on ecommerce click and collect orders, from Reiss stores in the US. The subsidiary is opposing the initial ruling and the directors consider that there is significant uncertainty over the timing of this and whether any liability will crystallise. Further, in response to this initial ruling, the subsidiary immediately amended its shipping policies in order to ensure that no further potential liability would accrue beyond the maximum exposure detailed in this note. The estimated maximum exposure, excluding any penalties and interest which are considered too uncertain to reasonably estimate, is £0.6m.

31 POST BALANCE SHEET EVENTS

As set out in the Group Strategic Report and the Directors' Report, the COVID-19 global pandemic has continued to have an impact on the Group's performance. Although the outlook now looks positive as the roll out of vaccines allows non-essential retail to re-open and social restrictions to be eased, there remains a risk that future set backs could result in a material impact on the future trading results. The directors will continue to monitor the situation closely. Please refer to the basis of preparation in note 2.1, which provides further information on the impact of COVID-19 on the group and company.

Also set out in the Group Strategic Report and the Directors' Report, following the year-end, Next plc acquired a 25% interest in the group, with an option to acquire a further 26% by July 2022. As part of this transaction, Next plc also advanced a subordinated loan facility of £10m, with no principal or interest payments due while the group's current banking facilities remain in place, providing the group with further liquidity headroom.

As a result of this partnership, Reiss' online operations will be contracted to Next via Next's Total Platform. Total Platform will also provide warehousing and distribution services for Reiss' business, with an anticipated launch date early in the next financial period.

The directors are confident that Next's infrastructure will improve the efficiency of Reiss' operations in servicing our customers and will serve as the launch pad for Reiss to grow both revenue and profits in future years.

In the run-up to launching on Total Platform, Reiss will incur significant one-off costs in terms of systems integration, property costs and asset write downs. However, from launch we expect Total Platform to support Reiss' growth.

32 PENSION COMMITMENTS

The Group operates a defined contribution pension scheme in respect of certain employees and makes contributions to their personal pension plans. Contributions payable by the Group amounted to £658,000 (2020: £790,000). All contributions were paid during the period.

33 COMMITMENTS UNDER OPERATING LEASES

At 30 January 2021 the Company had no commitments under non-cancellable operating leases.

At 30 January 2021 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	30 January 2021 £000	*1 February 2020 £000*
Land and buildings		
Not later than 1 year	**22,173**	*23,359*
Later than 1 year and not later than 5 years	**63,679**	*62,794*
Later than 5 years	**21,574**	*25,306*
	107,426	*111,459*

	30 January 2021 £000	*1 February 2020 £000*
Other operating leases		
Not later than 1 year	**1,841**	*3,094*
Later than 1 year and not later than 5 years	**-**	*1*
	1,841	*3,095*

34 RELATED PARTY TRANSACTIONS

During the period, the Group paid rents of £2,368,000 (2020: £3,412,000) to companies and nominee companies in which D. A. Reiss is a director and a controlling shareholder.

Salaries paid to related parties, other than directors and key management amounted to £75,000 during the period (2020: £75,000).

35 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent undertaking is Pink Topco Limited, a company incorporated in Jersey and the immediate parent undertaking is WP R Topco Limited, a company incorporated in Jersey.

As at 30 January 2021 and 1 February 2020, there was no single ultimate controlling party.

36 SUBSIDIARY UNDERTAKINGS

The following are subsidiary undertakings of the Company:

DIRECT SUBSIDIARY UNDERTAKINGS

Name	Country of incorporation	Class of shares	Holding	Registered Office
WP R Midco 2 Limited	England	Ordinary	100%	Reiss Building, 12 Picton Place, London W1U 1BW

INDIRECT SUBSIDIARY UNDERTAKINGS

Name	Country of incorporation	Class of shares	Holding	Registered Office
Reiss (Holdings) Limited	England	Ordinary	100%	Reiss Building, 12 Picton Place, London W1U 1BW
Reiss Limited	England	Ordinary	100%	Reiss Building, 12 Picton Place, London W1U 1BW
Reiss (Retail) Limited	England	Ordinary	100%	Reiss Building, 12 Picton Place, London W1U 1BW
Reiss Russia LLC	Russia	Ordinary	100%	Russian Federation, 105005, Moscow, Poslannikov Pereulok 9, Building 3
Reiss (International) Limited	England	Ordinary	100%	Reiss Building, 12 Picton Place, London W1U 1BW
Reiss (Sweden) Limited	England	Ordinary	100%	Reiss Building, 12 Picton Place, London W1U 1BW
Reiss (Holland) B.V.	Holland	Ordinary	100%	c/o SGG Management (Netherlands) BV, Hoogoorddreef 15, 1001 BA Amsterdam, The Netherlands
Reiss (Canada) Limited	England	Ordinary	100%	Reiss Building, 12 Picton Place, London W1U 1BW

36 SUBSIDIARY UNDERTAKINGS (CONTINUED)

INDIRECT SUBSIDIARY UNDERTAKINGS (CONTINUED)

Reiss France SARL	France	Ordinary	100%	c/o BDO France, 35 Rue de Rome, 75008 Paris, France
Reiss (Australia) Limited	England	Ordinary	100%	Reiss Building, 12 Picton Place, London W1U 1BW
WP R Holdco Limited	England	Ordinary	100%	Reiss Building, 12 Picton Place, London W1U 1BW
Reiss (Australia) PTY Limited	Australia	Ordinary	100%	Level 11, 1 Margaret Street, Sydney, New South Wales 2000, Australia
Reiss Management Investments Limited	England	Ordinary	100%	Reiss Building, 12 Picton Place, London W1U 1BW

Audit Exemption under section 479a of the Companies Act 2006

The Directors consider that WP R MidCo 2 Limited (company number 10075770), WP R HoldCo Limited (company number 10075900) and Reiss Management Investments Limited (company number 08781804) are entitled to exemption from the requirement to have an audit under the provision of section 479A of the Companies Act 2006 ("the Act") and the members have not required these companies to have an audit for the period in question in accordance with Section 476 of the Act.

WP R MidCo 1 Limited has guaranteed the liabilities of WP R MidCo 2 Limited, WP R HoldCo Limited and Reiss Management Investments Limited in order that they qualify for the exemption from audit under Section 479A of the Companies Act 2006 in respect of the period ending 30 January 2021.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.