
THE WOOLLEN MILL (EDINBURGH) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 2 MARCH 2019

**COMPANIES HOUSE
EDINBURGH**

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THE WOOLLEN MILL (EDINBURGH) LIMITED

COMPANY INFORMATION

DIRECTORS	Steve Simpson
COMPANY SECRETARY	June Carruthers
REGISTERED NUMBER	SC153052
REGISTERED OFFICE	Waverley Mills Langholm Dumfriesshire DG13 0EB
INDEPENDENT AUDITOR	KPMG LLP Quayside House 110 Quayside Newcastle Upon Tyne NE1 3DX

THE WOOLLEN MILL (EDINBURGH) LIMITED

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THE WOOLLEN MILL (EDINBURGH) LIMITED

**DIRECTORS' REPORT
FOR THE 27-WEEK PERIOD ENDED 2 MARCH 2019**

The directors present their report and the financial statements for the 27-week period ended 2 March 2019.

PRINCIPAL ACTIVITIES

The business provides support services in relation to the overseas operations of The Edinburgh Woollen Mill (Group) Limited and its fellow subsidiary companies.

RESULTS AND DIVIDENDS

The loss for the period, after taxation, amounted to £25,000 (2018 - loss £10,000).

The directors do not recommend the payment of a dividend (2018 - £Nil).

DIRECTOR

The director who held office during the period and to the date of this report was as follows:

Steve Simpson

FUTURE DEVELOPMENTS

The Company's underlying performance is expected to continue in the next financial period.

DISCLOSURE OF INFORMATION TO AUDITOR

The director who held office at the date of approval of this directors' report confirm that, so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and that director has taken all the steps that he ought to have been taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITOR

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

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



June Carruthers
Secretary

Date: 30 July 2019

Waverley Mills
Langholm
Dumfriesshire
DG13 0EB

THE WOOLLEN MILL (EDINBURGH) LIMITED

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND
THE FINANCIAL STATEMENTS**

FOR THE PERIOD ENDED 2 MARCH 2019

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE WOOLLEN MILL (EDINBURGH) LIMITED

Opinion

We have audited the financial statements of The Woollen Mill (Edinburgh) Limited ("the company") for the 27-week period ended 2 March 2019 which comprise the profit and loss account, balance sheet, statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 2 March 2019 and of its loss for the period then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover this report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE WOOLLEN MILL (EDINBURGH) LIMITED

Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial period is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 2, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Moran (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Quayside House
110 Quayside
Newcastle Upon Tyne
NE1 3DX

2 August 2019

THE WOOLLEN MILL (EDINBURGH) LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE 27-WEEK PERIOD ENDED 2 MARCH 2019

		Period ended 2 March 2019 £000	78 weeks ended 25 August 2018 £000
	Note		
Administrative expenses		(25)	(10)
Loss before tax		(25)	(10)
Tax on loss	5	-	-
Loss for the period		(25)	(10)

There is no other comprehensive income for 2019 or 2018, other than the result shown above.

THE WOOLLEN MILL (EDINBURGH) LIMITED
REGISTERED NUMBER: SC153052

BALANCE SHEET
AS AT 2 MARCH 2019

	Note	2 March 2018 £000	25 August 2018 £000
Current liabilities			
Creditors: Amounts falling due within one year	6	<u>(82)</u>	<u>(57)</u>
Net liabilities		<u>(82)</u>	<u>(57)</u>
Capital and reserves			
Called up share capital	7	-	-
Profit and loss account		<u>(82)</u>	<u>(57)</u>
Shareholders' deficit - equity		<u>(82)</u>	<u>(57)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



Steve Simpson
Director

30 July 2019

THE WOOLLEN MILL (EDINBURGH) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE 27-WEEK PERIOD ENDED 2 MARCH 2019**

	Retained earnings £000	Total equity £000
At 25 February 2017	(47)	(47)
Total comprehensive income		
Loss for the period	(10)	(10)
At 25 August 2018	(57)	(57)
Total comprehensive income		
Loss for the period	(25)	(25)
At 2 March 2019	(82)	(82)

THE WOOLLEN MILL (EDINBURGH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 MARCH 2019

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Woollen Mill (Edinburgh) Limited (the "Company") is a private company incorporated, domiciled and registered in the UK. The registered number is SC153052 and the registered address is Waverley Mill, Langholm, Dumfriesshire, DG13 0EB.

These financial statements are drawn up for the 27-week period ended 2 March 2019. The comparative figures are for the 78-week period ended 25 August 2018.

These financial statements were prepared on the historical cost basis and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

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

The company has applied IFRS 9 "Financial instruments" for the first time in 2019. This has been applied retrospectively and had no material impact.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The Company's ultimate parent undertaking, The Edinburgh Woollen Mill (Group) Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of The Edinburgh Woollen Mill (Group) Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF.

THE WOOLLEN MILL (EDINBURGH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 MARCH 2019

1. ACCOUNTING POLICIES (continued)

1.2 FINANCIAL REPORTING STANDARD 101 - REDUCED DISCLOSURE EXEMPTIONS

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets, intangible assets and investment properties;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

As the consolidated financial statements of The Edinburgh Woollen Mill (Group) Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IAS 36 'Impairment of assets' in respect of the impairment of goodwill and indefinite life intangible assets;
- Certain disclosures required by IFRS 13 'Fair Value Measurement'; and
- The disclosures required by IFRS 7 'Financial Instrument Disclosures'.

1.3 GOING CONCERN

The financial statements have been prepared on the going concern basis notwithstanding the net current liabilities of £82,000 at 2 March 2019 (2018 - £57,000). The directors note that the company made a loss for the period. The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its ultimate parent company, The Edinburgh Woollen Mill (Group) Limited, to meet its liabilities as they fall due for that period.

The company is dependent for its working capital on funds provided by group companies. The company's ultimate parent undertaking, The Edinburgh Woollen Mill (Group) Limited, has indicated that for at least twelve months from the date of approval of these financial statements it will continue to make available such funds as are needed by the company to pay its liabilities as they fall due and in particular will not seek repayment of the amounts currently made available. The directors consider that this should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. In reaching this conclusion, the directors have considered the financial position of The Edinburgh Woollen Mill (Group) Limited which has substantial net assets and cash reserves at the period end. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

THE WOOLLEN MILL (EDINBURGH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 MARCH 2019

1. ACCOUNTING POLICIES (continued)

1.3 GOING CONCERN (continued)

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

1.4 TAXATION

Tax is recognised in the statement of comprehensive income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income 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 operates and generates income.

2. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The directors do not consider there to be any significant judgements made in the application of the accounting policies.

3. AUDITOR'S REMUNERATION

The companies audit fees have been borne by the parent company. The company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the group accounts of the ultimate parent company.

4. EMPLOYEES AND DIRECTORS REMUNERATION

The Company has no employees other than the directors, who did not receive any remuneration (2018 - £Nil).

No directors' emoluments were incurred in either period. The directors did not provide any material qualifying services to the Company. All directors who served during the year were employed by The Edinburgh Woollen Mill Limited and were remunerated through that Company.

THE WOOLLEN MILL (EDINBURGH) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 MARCH 2019**

5. TAXATION

	Period ended 2 March 2019 £000	<i>78 weeks ended 25 August 2018 £000</i>
Corporation tax		
Current tax on loss for the year	-	-
Total current tax	-	-
Deferred tax	-	-
Total deferred tax	-	-
Taxation on loss	-	-

Factors affecting tax charge for the period

The tax assessed for the period is lower than (2018 – *lower than*) the standard rate of corporation tax in the UK of 19% (2018 – 19.06%). The differences are explained below:

	Period ended 2 March 2019 £000	<i>78 weeks ended 25 August 2018 £000</i>
Loss before tax	(25)	(10)
Loss multiplied by standard rate of corporation tax in the UK of 19% (2018: 19.06%)	(5)	(2)
Effects of:		
Non-deductible expenses	5	2
Total tax charge for the period	-	-

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax at the balance sheet date has been calculated based on these rates.

THE WOOLLEN MILL (EDINBURGH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 MARCH 2019

6. CREDITORS: Amounts falling due within one year

	2 March 2019 £000	25 August 2018 £000
Amounts owed to group undertakings	82	57

7. SHARE CAPITAL

	2 March 2019 £	25 August 2018 £
Allotted, called up and fully paid		
2 Ordinary Shares of £1 each	2	2

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

8. CONTROLLING PARTY

The company's ultimate parent company is The Edinburgh Woollen Mill (Group) Limited which is incorporated in Scotland and prepares group financial statements in which the company is consolidated. The registered office address of the ultimate parent company is Waverley Mill, Langholm, Dumfriesshire, DG13 0EB.

The company's immediate parent company is The Edinburgh Woollen Mill Limited having a registered office at Waverley Mill, Langholm, Dumfriesshire, DG13 0EB.

By virtue of his shareholding in the ultimate parent company P. Day is the ultimate controlling party.