
THE WOOLLEN MILL (EDINBURGH) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 52 WEEK PERIOD ENDED 29 FEBRUARY 2020

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THE WOOLLEN MILL (EDINBURGH) LIMITED

COMPANY INFORMATION

| | |
|----------------------------|--|
| DIRECTORS | Steve Simpson John Jackson (appointed 17 September 2020) |
| 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

CONTENTS

| | Page |
|--|---------------|
| Directors' Report | 1 |
| Statement of directors' responsibilities in respect of the annual report and the financial statements | 2 |
| Independent auditor's report to the members of The Woollen Mill (Edinburgh) Limited | 3 - 4 |
| Profit and Loss Account | 5 |
| Balance Sheet | 6 |
| Statement of Changes in Equity | 7 |
| Notes to the Financial Statements | 8 - 11 |

THE WOOLLEN MILL (EDINBURGH) LIMITED

DIRECTORS' REPORT FOR THE 52 WEEK PERIOD ENDED 29 FEBRUARY 2020

The directors present their report and the financial statements for the 52 week period ended 29 February 2020.

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.

On 18 September 2020 the share capital of the company was acquired by Kings Landing Limited.

RESULTS AND DIVIDENDS

The loss for the period, after taxation, amounted to £6,000 (2019 - loss £25,000).

The directors do not recommend the payment of a dividend (2019 - £Nil).

DIRECTORS

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

Steve Simpson

John Jackson (appointed 17 September 2020)

FUTURE DEVELOPMENTS

The company is not expected trade in the foreseeable future and therefore the financial statements are not prepared on a going concern basis.

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.



John Jackson
Director

23 March 2021

Waverley Mills
Langholm
Dumfriesshire
DG13 0EB

THE WOOLLEN MILL (EDINBURGH) LIMITED

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

FOR THE 52 WEEK PERIOD ENDED 29 FEBRUARY 2020

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102, "The financial reporting standard applicable in the UK and Republic of Ireland."

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

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 (as explained in note 1.2, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis).

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 52 week period ended 29 February 2020 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 29 February 2020 and of its loss for the period then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102, *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.

Emphasis of matter – non-going concern basis of preparation

We draw attention to the disclosure in the note 1.2 to the financial statements which explains that the financial statements are now not prepared on the going concern basis for the reasons set out in that note. Our opinion is not modified in respect of this matter.

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.

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.

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

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

23 March 2021

THE WOOLLEN MILL (EDINBURGH) LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE 52 WEEK PERIOD ENDED 29 FEBRUARY 2020

| | | 52 week period ended 29 February 2020 £000 | 27 weeks ended 2 March 2019 £000 |
|----------------------------|------|---|--|
| | Note | | |
| Administrative expenses | | (6) | (25) |
| Loss before tax | | (6) | (25) |
| Tax on loss | 5 | - | - |
| Loss for the period | | (6) | (25) |

There is no other comprehensive income for 2020 or 2019, other than the result shown above.

THE WOOLLEN MILL (EDINBURGH) LIMITED
REGISTERED NUMBER: SC153052

BALANCE SHEET
AS AT 29 FEBRUARY 2020

| | Note | 29 February 2020 £000 | 2 March 2019 £000 |
|---|------|-----------------------------|-------------------------|
| Current liabilities | | | |
| Creditors: Amounts falling due within one year | 6 | <u>(88)</u> | <u>(82)</u> |
| Net liabilities | | <u>(88)</u> | <u>(82)</u> |
| Capital and reserves | | | |
| Called up share capital | 7 | - | - |
| Profit and loss account | | <u>(88)</u> | <u>(82)</u> |
| Shareholders' deficit - equity | | <u>(88)</u> | <u>(82)</u> |

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



John Jackson
Director

23 March 2021

THE WOOLLEN MILL (EDINBURGH) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEK PERIOD ENDED 29 FEBRUARY 2020**

| | Retained earnings £000 | Total equity £000 |
|-----------------------------------|---------------------------------------|------------------------------|
| At 25 August 2018 | (57) | (57) |
| Total comprehensive income | | |
| Loss for the period | (25) | (25) |
| At 2 March 2019 | (82) | (82) |
| Total comprehensive income | | |
| Loss for the period | (6) | (6) |
| At 29 February 2020 | (88) | (88) |

THE WOOLLEN MILL (EDINBURGH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

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 52 week period ended 29 February 2020. The comparative figures are for the 27 week period ended 2 March 2019.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In the transition to FRS 102 from FRS 101, the Company has made no measurement and recognition adjustments.

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 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 accounting policies (see note 2).

The Company's ultimate parent undertaking at 29 February 2020 was The Edinburgh Woollen Mill (Group) Limited which includes the Company in its consolidated financial statements. The consolidated financial statements of The Edinburgh Woollen Mill (Group) Limited are prepared in accordance with FRS 102 and are available to the public and may be obtained from Companies House. In these financial statements, the company is considered to be a qualifying entity and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation

As the consolidated financial statements of the Edinburgh Woollen Mill (Group) Limited include the disclosures equivalent to those required by FRS 102, the Company has also taken the exemptions available in respect of the following disclosures:

- Certain disclosures required by FRS 102.11 'Basic Financial Instruments' and FRS 102.12 'Other financial instrument Issues' in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

THE WOOLLEN MILL (EDINBURGH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

1. ACCOUNTING POLICIES (continued)

1.2 GOING CONCERN

The company is not expected to trade in the foreseeable future and accordingly, the directors have not prepared the financial statements on a going concern basis notwithstanding the net current liabilities of £88,000 at 29 February 2020 (£82,000 at 2 March 2019) and a loss in the period of £6,000 (2019 - £25,000). This has no effect on the classification or measurement of assets and liabilities at the year end.

1.3 TAXATION

Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

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 company's audit fees of £1,000 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 (2019 - £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 YEAR ENDED 29 FEBRUARY 2020**

5. TAXATION

| | 52 week period ended 29 February 2020 £000 | 27 weeks ended 2 March 2019 £000 |
|----------------------------------|---|---|
| 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 equal to (2019 – equal to) the standard rate of corporation tax in the UK of 19% (2019 – 19%). The differences are explained below:

| | 52 week period ended 29 February 2020 £000 | 27 weeks ended 2 March 2019 £000 |
|--|---|---|
| Loss before tax | (6) | (25) |
| Loss multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%) | (1) | (5) |
| Effects of: | | |
| Non-deductible expenses | 1 | 5 |
| 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 subsequently enacted on 6 September 2016 and the UK deferred tax at the year end has been calculated based on this rate. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. This will increase the company's deferred tax and liabilities from 17 March 2020. In the 3 March 2021 Budget it was announced that the UK tax rate will increase to 25% from 1 April 2023. This will further increase the Company's deferred tax liabilities from the date it becomes enacted.

THE WOOLLEN MILL (EDINBURGH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

6. CREDITORS: Amounts falling due within one year

| | 29 February 2020 £000 | 2 March 2019 £000 |
|------------------------------------|-----------------------------|-------------------------|
| Amounts owed to group undertakings | 88 | 82 |

Amounts due to group undertakings are unsecured, interest free and have no fixed repayment date.

7. SHARE CAPITAL

| | 29 February 2020 £ | 2 March 2019 £ |
|---|--------------------------|----------------------|
| 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. EXPLANATION OF TRANSITION TO FRS 102 FROM FRS 101

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 102.

In adopting FRS 102 for the first time the Company has made no measurement and recognition adjustments.

9. CONTROLLING PARTY AND RELATED PARTY TRANSACTIONS

At the year end the Company was a subsidiary undertaking of The Edinburgh Woollen Mill (Group) Limited. At the year end the ultimate controlling party was Mr P Day. The only accounts in which the Company is consolidated are those of The Edinburgh Woollen Mill (Group) Limited.

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

On 18 September 2020 the share capital of the company was sold to Kings Landing Limited. At the date of approval of these financial statements the company's ultimate parent company is Kings Landing Limited which is incorporated in the United Arab Emirates. The registered office address of the ultimate parent company is C/o Davidson & Co Legal Consultants, Office 504, Shangri La Hotel, Sheikh Zayed Road, Dubai, United Arab Emirates.

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