

PRINGLE OF SCOTLAND LIMITED

**INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 31 JANUARY 2022**

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PRINGLE OF SCOTLAND LIMITED

REGISTERED NUMBER:SC203627

**BALANCE SHEET
AS AT 31 JANUARY 2022**

	Note	2022 £000	2021 £000
Fixed assets			
Tangible assets	6	190	375
		<u>190</u>	<u>375</u>
Current assets			
Stocks	7	308	434
Debtors: amounts falling due after more than one year	8	-	244
Debtors: amounts falling due within one year	8	926	753
Cash at bank and in hand	9	187	297
		<u>1,421</u>	<u>1,728</u>
Creditors: amounts falling due within one year	10	(1,927)	(2,132)
Net current liabilities		<u>(506)</u>	<u>(404)</u>
Total assets less current liabilities		<u>(316)</u>	<u>(29)</u>
Creditors: amounts falling due after more than one year	11	(1,016)	(1,818)
Net liabilities		<u>(1,332)</u>	<u>(1,847)</u>
Capital and reserves			
Called up share capital	12	114,700	114,200
Profit and loss account		(116,032)	(116,047)
		<u>(1,332)</u>	<u>(1,847)</u>

PRINGLE OF SCOTLAND LIMITED

REGISTERED NUMBER: SC203627

**BALANCE SHEET (CONTINUED)
AS AT 31 JANUARY 2022**

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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

D Fang
Director

Date: 28 October 2022

The notes on pages 3 to 14 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022**

1. General information

Pringle of Scotland Limited is a limited liability company incorporated in Scotland. The registered office is Quartermile One, 15 Lauriston Place, Edinburgh, EH3 9EP.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

During the year the company reported a profit of £15k and at 31 January 2022 has net liabilities of £1,332k. Included within these liabilities are loans from group companies of £1,563k. The group companies have confirmed they will not seek repayment of these loans to the detriment of other creditors. Additionally the parent company has confirmed its continuing support to the company to facilitate its ability to continue as a going concern for the foreseeable future.

The directors, therefore, have made an informed judgement, at the time of approving the financial statements, that the company has adequate resources and support to continue in operational existence for the foreseeable future. As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is 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 profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022**

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue 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 revenue is recognised:

Sale of goods

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

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company 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.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 February 2020 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.6 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.7 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022**

2. Accounting policies (continued)

2.8 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.9 Finance costs

Finance costs are charged to profit or loss 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.

2.10 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.11 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss 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 Company in independently administered funds.

2.12 Intangible assets

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.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.13 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022**

2. Accounting policies (continued)

2.13 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold Property	- Term of lease
Leasehold improvements	- Term of lease
Plant and machinery	- 10-33% per annum
Motor vehicles	- 25% per annum
Fixtures and fittings	- 10-33% per annum

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 in profit or loss.

2.14 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. Work in progress and finished goods include labour and attributable overheads.

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 profit or loss.

2.15 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.16 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.

2.17 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022**

2. Accounting policies (continued)

2.18 Financial instruments

The Company only enters into basic financial instrument 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 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. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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 Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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 Company would receive for the asset if it were to be sold 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022**

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

In the opinion of the directors there are no critical accounting judgements made in applying the Company's accounting policies that require disclosure in the financial statements.

Key sources of estimation uncertainty - Aged stock provision

Management will make judgements about the value of the aged stock within the business. To make this judgement management will evaluate the potential sales achievable from the stock including the amount of discount that would need to be applied to sell the stock. Sales are considered at either the company's own retail locations or to wholesale customers. In addition, the timeframe required to make those sales is also considered. A percentage provision is then applied on a season by season basis — older seasons attracting a higher provision.

Dilapidations

Certain leases entered into by the Company include clauses obliging the Company to return the property in the condition at the date of entry into the lease. The costs to bring the property back to that condition cannot be confirmed until the Company leaves the property and accordingly estimates are prepared at each reporting date.

Debtor provision

Key estimates are applied in establishing the value of potential bad debt held by the Company. An assessment is performed at each reporting date. The net value of trade debtors, after taking allowance for a bad debt provision, as at 31 January 2022 was £157k (2021- £75k).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

4. Employees

The average monthly number of employees, including directors, during the year was 18 (2021 - 37).

5. Intangible assets

	Patents £000
Cost	
At 1 February 2021	149
	<hr/>
At 31 January 2022	149
	<hr/>
Amortisation	
At 1 February 2021	149
	<hr/>
At 31 January 2022	149
	<hr/>
Net book value	
At 31 January 2022	-
	<hr/>
At 31 January 2021	-
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

6. Tangible fixed assets

	Freehold property £000	Plant and machinery £000	Fixtures and fittings £000	Leasehold improvements £000	Total £000
Cost or valuation					
At 1 February 2021	1,142	7	281	369	1,799
Disposals	-	(1)	(90)	-	(91)
At 31 January 2022	1,142	6	191	369	1,708
Depreciation					
At 1 February 2021	878	7	251	288	1,424
Charge for the year on owned assets	119	-	20	46	185
Disposals	-	(1)	(90)	-	(91)
At 31 January 2022	997	6	181	334	1,518
Net book value					
At 31 January 2022	145	-	10	35	190
At 31 January 2021	264	-	30	81	375

The net book value of land and buildings may be further analysed as follows:

	2022 £000	2021 £000
Freehold	145	264
	145	264

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

7. Stocks

	2022	2021
	£000	£000
Finished goods and goods for resale	<u>308</u>	<u>434</u>

8. Debtors

	2022	2021
	£000	£000
Due after more than one year		
Prepayments and accrued income	<u>-</u>	<u>244</u>

	2022	2021
	£000	£000
Due within one year		
Trade debtors	157	75
Amounts owed by group undertakings	359	289
Other debtors	2	13
Prepayments and accrued income	408	376
	<u>926</u>	<u>753</u>

9. Cash and cash equivalents

	2022	2021
	£000	£000
Cash at bank and in hand	187	297
Less: bank overdrafts	(175)	(351)
	<u>12</u>	<u>(54)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

10. Creditors: Amounts falling due within one year

	2022 £000	2021 £000
Bank overdrafts	175	351
Bank loans	37	-
Trade creditors	713	901
Amounts owed to group undertakings	547	-
Other taxation and social security	28	17
Other creditors	57	52
Accruals and deferred income	370	811
	<u>1,927</u>	<u>2,132</u>

The bank loans and overdrafts are secured by a company guarantee given by Fang Brothers Holdings Limited, a related party of Pringle of Scotland Limited. Interest on sterling loans is charged at 1.25% p.a. over the bank's sterling base rate. Interest on foreign currency loans is charged at the bank's relevant currency base rate. Loans are made available for up to 180 days and are repayable on demand.

11. Creditors: Amounts falling due after more than one year

	2022 £000	2021 £000
Amounts owed to group undertakings	1,016	1,516
Accruals and deferred income	-	302
	<u>1,016</u>	<u>1,818</u>

There are no specific repayment terms attached to the amounts owed to group undertakings balance however the parent company expect that repayment of these balances will not occur within 12 months following the period end date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

12. Share capital

	2022 £000	2021 £000
Allotted, called up and fully paid		
114,700,000 (2021 - 114,200,000) Ordinary shares of £1.00 each	<u>114,700</u>	<u>114,200</u>

The Company has one class of ordinary shares which carry no right to fixed income.

During the period the Company allotted 500,000 (2021: 1,500,000) ordinary shares with a nominal value of £1 each to Pringle Enterprises Limited. The aggregate nominal value was £500k (2021: £1,500k) and this equates to the consideration received.

The Company's other reserves are as follows:

The profit and loss reserves represents cumulative profits or losses, net of dividends paid and other adjustments.

13. Pension commitments

The Company operates defined contribution retirement benefit schemes for all qualifying employees. The total expense charged to the profit and loss in the period ended 31 January 2022 was £36k (2021: £61k). At the period end £5k of contributions remained outstanding (2021: £5k)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022**

14. Related party transactions

The directors are of the opinion that all the related party transactions are conducted under normal market conditions and on an arm's length basis and therefore do not need to be disclosed under FRS 102 Section 33.

15. Controlling party

The company's ultimate controlling party is Pringle International Holdings Limited, a company incorporated in the British Virgin Islands. The consolidated accounts of Pringle International Holdings limited include the results of Pringle of Scotland Limited and are available from 20-24 Kwai Wing Road, Kwai Chung, New Territories, Hong Kong.

Pringle Enterprises Limited, registered address Sea Meadow House, Blackburne Highway, PO Box 116, Road Town, Tortola, British Virgin Islands, a subsidiary of Pringle International Holdings Limited, holds 100% of the ordinary share capital of Pringle of Scotland Limited. Pringle International Holdings Limited is the largest and smallest group into which Pringle of Scotland Limited is consolidated.

16. Auditor's information

The auditor's report on the financial statements for the year ended 31 January 2022 was unqualified.

The audit report was signed on 28 October 2022 by Derek Mair (Senior statutory auditor) on behalf of Anderson Anderson & Brown Audit LLP.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.