

TURNBULL & ASSER LIMITED
ANNUAL REPORT & FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 3 FEBRUARY 2018

Company Registration Number 01066321



TURNBULL & ASSER LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 3 FEBRUARY 2018

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TURNBULL & ASSER LIMITED
OFFICERS AND PROFESSIONAL ADVISORS
FOR THE PERIOD ENDED 3 FEBRUARY 2018

The board of directors

Mr A Fayed
Mr J Fayed
Mr S Quin
Mr N Clifford
Mr L Fayed
Mr J Baker
Mr M Turner

Company Secretary

haysmacintyre

Registered office

14 South Street
London
W1K 1DF

Independent Auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

TURNBULL & ASSER LIMITED
STRATEGIC REPORT (continued)
FOR THE PERIOD ENDED 3 FEBRUARY 2018

The directors present their strategic report of the company for the period ended 03 February 2018.

Principal activities and business review

The principal activity of the company is the retail of bespoke shirts and ready to wear premium quality gentleman's clothing from multiple London premises in Mayfair and through its online e-commerce site. The company also wholesales garments to customers throughout the UK and abroad. Aside from its selling activities the company is also engaged in the manufacture of shirts and ties from its own factories based in the UK.

The period to February 2018 was a challenging one. Although the business saw year on year revenue growth the revenue was lower than planned, which was compounded by lower margins after aged stock was provided for. Additionally, the business incurred a number of reorganisation costs, mostly relating to a senior management restructure, abortive store opening costs and disposal of some fixed assets in respect of this. 2018 started on a more positive note with the first half profit ending ahead target with lower sales revenues offset by control of overheads. The second half of 2018 will be challenging with revenues not growing as quickly as planned; overhead control will be applied where feasible to mitigate lost revenue.

During the year to February 2018 Bloomingdales Los Angeles closed followed by the Kilver Court clearance store in the month of February 2018. A sample sale was held in December 17 to reduce the level of aged stock in the business and was extremely successful. A second sample sale held in May 2018 saw similar results and aged stock is now at a more manageable level.

The Management team now in place are carrying out a review of business processes, with a view to streamlining and modernising practices where required.

During the period, four million £0.10 shares were issued and fully paid. This equates to a £400,000 cash injection. In June 2018 10,000,000 ordinary shares of £0.10 each were issued at par value. This equates to a £1,000,000 cash injection.

Principal risks and uncertainties

The management of the business and the execution of the company's business strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to competition from global, national and independent retailers, employee retention, product quality and continuing delivery of high levels of customer service. As a number of the company's customers are high net worth individuals and the continued financial health of the global economy is also an important factor.

Economic environment, market risk and competition

The company's results can be impacted by general economic conditions in the UK, especially those that impact on discretionary expenditure. The market sector is very competitive but the company's heritage brings a loyal customer base which helps to mitigate some of the short term competition risk.

Supply Chain

Due to the company owning its shirt and tie manufacturing facilities and both being based in England, the company has significant control of the manufacturing element of its supply chain. The main risk is the supply of cotton and silk used in the manufacture of shirts and ties. The company maintains a close dialogue with key suppliers to pre-empt any possible raw material risks.

TURNBULL & ASSER LIMITED
STRATEGIC REPORT (continued)
FOR THE PERIOD ENDED 3 FEBRUARY 2018

People

The company is reliant on staff at all levels of the organisation. The senior management team work closely together with key personnel to ensure they are engaged and invested in the business.

Foreign Currency Risk

The company has some exposure to foreign currency movements through both raw material purchases and international sales. The level of exposure is deemed to be manageable and if foreign exchange costs become more significant forward contracts will be considered.

Liquidity Risk

The directors closely manage liquidity and cash flow. Rolling cash flow projections are prepared to highlight any short term issues whilst high level, longer term projections are used to understand any strategic issues.

Cash flow interest rate risk

The company is not highly leveraged and its interest exposure is minimal.

Credit risk

The company's credit risk is limited. All new wholesale customers are assessed for credit worthiness and then managed within their credit terms. Retail customers present no credit risk.

Key performance indicators

The company's directors are of the opinion that the use of sales and margin measures are sufficient to monitor the ongoing performance of the business and can be used to facilitate short term planning. Overheads are managed through the setting of financial forecasts with regular budget holder reviews to assess performance against these targets. Any short term adverse events are mitigated by the control of costs, and a longer term forecast which is provided on a quarterly basis which is used to consider any longer term strategic challenges.

Future development and performance of the business of the company during the financial period

The financial period ending 02 February 2019 while remaining challenging, should be a period of consolidation for the company. The company has benefitted from the equity injection of £1,000,000 during the period ended 02 February 2019. The first quarter of the 2018 financial period saw Mr Turner appointed to the Board.

The first half of trading in the 2019 financial period has been mixed, although revenues are behind last year the control of costs of overheads has kept profit in line with expectations. Growth is expected to come from better product selection and focused marketing and branding activities.

TURNBULL & ASSER LIMITED
STRATEGIC REPORT (continued)
FOR THE PERIOD ENDED 3 FEBRUARY 2018

Going concern

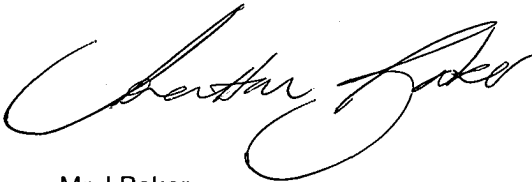
The Directors have reviewed the cash flow forecasts for a period of not less than 12 months from the date of signing these financial statements. The cash flow forecast takes into account reasonably possible changes in trading performance.

An equity injection of £1,000,000 from the owners was received in June 2018. The company has a loan from a related company T&A Holdings LLC, originally for a period to December 2015 and amounting to £600,000 plus accrued interest renewable for more than one year at the option of either party and which has not been recalled. The Directors have also obtained a letter of support from a company controlled by the ultimate controlling party. In the event that the company is unable to meet its liabilities as they fall due, this company has confirmed that they have sufficient funds and are willing to meet any liabilities as they fall due for a period of at least 12 months from the date of signing these financial statements. The Directors have concluded that they have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements. The Company therefore continues to adopt the going concern basis in the financial statements.

Position of the company at the period end

The loss for the financial period amounted to £1,164,000 (2017: loss £1,097,000). Net assets amounted to £5,599,000 (2016: £6,362,000).

Signed on behalf of the board



Mr J Baker

Managing Director

Approved by the board of directors on 24 October 2018

TURNBULL & ASSER LIMITED
THE DIRECTORS' REPORT
FOR THE PERIOD ENDED 3 FEBRUARY 2018

The directors present their report and the audited financial statements of the company for the period ended 03 February 2018.

Results and dividends

The loss for the financial period amounted to £1,164,000 (2017: loss £1,097,000). The directors have not recommended a dividend.

Directors

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

Mr A Fayed
Mr J Fayed
Mr S Quin
Mr N Clifford
Mr M Turner (appointed 8th March 2018)
Mr S McCoy (resigned 10th March, 2017)
Mr N Blow (resigned 31st March, 2017)
Mr D Foster (resigned 22nd December, 2017)
Mr L Fayed (appointed 3rd April, 2017)
Mr J Baker (appointed 3rd April, 2017)

Financial risk management

The Directors present the financial risk management of the company in the Strategic report on page 2.

Directors' indemnity statement

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial period and is currently in force. The Company also purchased and maintained throughout the financial period Director's and Officers' liability insurance in respect of itself and its Directors.

Post Balance sheet events

On 8 June 2018 the share capital of the company was increased by the creation of 10,000,000 ordinary shares of £0.10 each. 4,000,000 ordinary shares of £0.10 each were allotted in June 2018 at par value. This equates to a £1,000,000 cash injection.

TURNBULL & ASSER LIMITED
THE DIRECTORS' REPORT (continued)
FOR THE PERIOD ENDED 3 FEBRUARY 2018

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the 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 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 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 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 company will continue in business.

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

The directors are responsible for 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.

Directors' confirmations

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

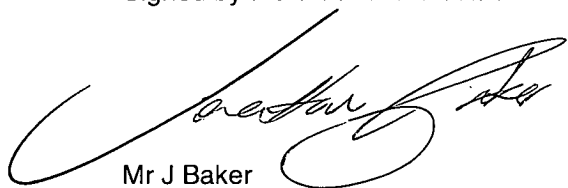
- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

TURNBULL & ASSER LIMITED
THE DIRECTORS' REPORT (continued)
FOR THE PERIOD ENDED 3 FEBRUARY 2018

Independent auditors

PricewaterhouseCoopers LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Signed by the order of the board

A handwritten signature in black ink, appearing to read 'Mr J Baker', is written over the printed name.

Mr J Baker

Managing Director

Approved by the board of directors on 24 October 2018

Independent auditors' report to the members of Turnbull & Asser Limited

Report on the audit of the financial statements

Opinion

In our opinion, Turnbull & Asser Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 3 February 2018 and of its loss and cash flows for the year 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 Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 3 February 2018; the income statement, the statement of cash flows and the statement of changes in equity for the year 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 company 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

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

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

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

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

TURNBULL & ASSER LIMITED

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 the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require 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 year ended 3 February 2018 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 company and its 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 Directors' Responsibilities Statement set out on page 5, 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 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 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.

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 received 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

TURNBULL & ASSER LIMITED

- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Emma Jarvis (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
24 October 2018

TURNBULL & ASSER LIMITED
INCOME STATEMENT
FOR THE PERIOD ENDED 3 FEBRUARY 2018

	Note	Period ended 3 February 2018	Period ended 28 January 2017
		£000	£000
Turnover	2	10,397	10,063
Cost of sales		<u>(4,670)</u>	<u>(4,433)</u>
Gross profit		5,727	5,630
Distribution costs		(399)	(376)
Administrative expenses		(6,412)	(6,473)
Other operating income	3	<u>258</u>	<u>234</u>
Operating loss	4	(826)	(985)
Exceptional items	5	(376)	-
Interest receivable and similar income		1	1
Interest payable and similar expenses		<u>(12)</u>	<u>(7)</u>
Loss before taxation		(1,213)	(991)
Tax on loss	8	<u>49</u>	<u>(106)</u>
Loss for the financial period		<u><u>(1,164)</u></u>	<u><u>(1,097)</u></u>

All of the activities of the company are classed as continuing.

TURNBULL & ASSER LIMITED

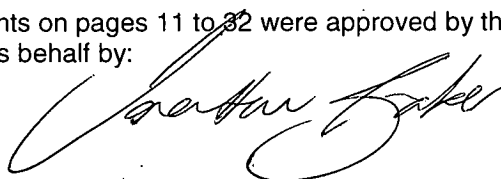
Registered Number 01066321

BALANCE SHEET**AS AT 3 FEBRUARY 2018**

	Note	3 February 2018	28 January 2017
		£000	£000
Fixed assets			
Tangible assets	9	4,320	4,630
Current assets			
Stocks	10	2,521	3,260
Debtors	11	1,000	1,351
Cash at bank and in hand		421	136
Deferred tax asset	16	-	-
		3,942	4,747
Creditors: Amounts falling due within one year	12	(2,603)	(2,844)
Net current assets		<u>1,339</u>	<u>1,903</u>
Total assets less current liabilities		5,659	6,533
Creditors: Amounts falling due after more than one year	13	-	(69)
Provisions for liabilities	16	(60)	(102)
Net assets		<u>5,599</u>	<u>6,362</u>
Capital and reserves			
Called up share capital	19	3,850	3,450
Other reserves		30	30
Retained earnings		<u>1,719</u>	<u>2,882</u>
Total Shareholders' funds		<u>5,599</u>	<u>6,362</u>

The financial statements on pages 11 to 32 were approved by the Board of Directors on 24 October 2018 and signed on its behalf by:

Mr J Baker
Managing Director



TURNBULL & ASSER LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 3 FEBRUARY 2018

	Called up share capital	Retained earnings	Other reserves	Total
	£000	£000	£000	£000
Balance as at 1 February 2015	2,450	4,694	30	7,174
Loss for the financial period	-	(714)	-	(714)
Total comprehensive loss for the period	-	(714)	-	(714)
Balance as at 30 January 2016	2,450	3,980	30	6,460
Loss for the financial period	-	(1,097)	-	(1,097)
Total comprehensive loss for the period	-	(1,097)	-	(1,097)
Issue of share capital	1,000	-	-	1,000
Balance as at 28 January 2017	3,450	2,883	30	6,363
Loss for the financial period	-	(1,164)	-	(1,164)
Total comprehensive loss for the period	-	(1,164)	-	(1,164)
Issue of share capital	400	-	-	400
Balance as at 03 February 2018	3,850	1,719	30	5,599

TURNBULL & ASSER LIMITED
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 3 FEBRUARY 2018

	Note	Period ended 3 February 2018 £000	Period ended 28 January 2017 £000
Net cash from operating activities	20	97	(372)
Taxation received		23	5
Net cash generated from operating activities		120	(367)
Cash flow from investing activities			
Interest received		1	1
Interest paid		(13)	(7)
Purchase of tangible assets		(193)	(294)
Proceeds from disposals of tangible assets		-	-
Net cash used in investing activities		(205)	(300)
Cash flow from financing activities			
Increase in share capital		400	1,000
Increase in borrowings		-	100
Repayment of loan		(30)	(354)
Net cash generated from financing activities		370	746
Net increase/(decrease) in cash and cash equivalents		285	79
Cash and cash equivalents at the beginning of the period		136	57
Cash and cash equivalents at the end of the period		421	136

TURNBULL & ASSER LIMITED
STRATEGIC REPORT (continued)
FOR THE PERIOD ENDED 3 FEBRUARY 2018

General information

Turnbull & Asser Limited is a private company limited by shares and is incorporated and domiciled in the United Kingdom. The address of its registered office is 14 South Street, London, W1K 1DF.

The principal activity of the company is the retail of bespoke shirts and ready to wear premium quality gentleman's clothing from London premises in Jermyn Street, Bury Street and Davies Street and through its online e-commerce site. The company also wholesales garments to customers throughout the UK and abroad. Aside from its selling activities the company is also engaged in the manufacture of shirts and ties from its own factories based in the UK.

Statement of compliance

The individual financial statements of Turnbull & Asser Limited have been prepared for the second year in compliance with United Kingdom Accounting Standards, including 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.

1 Summary of significant accounting policies

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

Basis of preparation

The financial statements have been prepared on a going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in 'Critical accounting judgements and estimation uncertainty' section of this note.

Going Concern

The Directors have reviewed the cash flow forecasts for a period of not less than 12 months from the date of signing these financial statements. The cash flow forecast takes into account reasonably possible changes in trading performance.

An equity injection of £1,000,000 from the owners was received in June 2018. The company has a loan from a related company T&A Holdings LLC, originally for a period to December 2015 and amounting to £600,000 plus accrued interest renewable for more than one year at the option of either party and which has not been recalled. The Directors have also obtained a letter of support from a company controlled by the ultimate controlling party. In the event that the company is unable to meet its liabilities as they fall due, this company has confirmed that they have sufficient funds and are willing to meet any liabilities as they fall due for a period of at least 12 months from the date of signing these financial statements. The Directors have concluded that they have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements. The Company therefore continues to adopt the going concern basis in the financial statements.

TURNBULL & ASSER LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 3 FEBRUARY 2018

Foreign currency

The company's functional and presentation currency is the pound sterling (£).

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 income statement.

Turnover

Turnover represents amounts receivable for the sale of goods to customers and concession commissions net of VAT and trade discounts. Turnover is recognised on sale and despatch of goods.

Exceptional items

The company classifies certain one-off charges or credits that have a material impact on the company's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the company.

Employee benefits

The company provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans.

i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

ii) Defined contribution pension plans

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 company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the period. The assets of the scheme are held separately from those of the company in an independently administered fund.

TURNBULL & ASSER LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 3 FEBRUARY 2018

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the income statement.

Current or deferred taxation assets and liabilities are not discounted.

i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the period or prior periods. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total profit as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price and the costs directly attributable to bringing the asset to its working condition for its intended use.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Freehold Land	- No depreciation charge
Freehold Property	- Straight line over 75 years
Leasehold Property	- Straight line over 15 - 100 years (length of lease)
Fixtures & Fittings	- Straight line over 2 - 10 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Repairs, maintenance and minor inspection costs are expensed as incurred.

Assets in the course of construction are stated at cost. These assets are not depreciated until they are available for use.

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in income statement and included in administrative expenses.

TURNBULL & ASSER LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 3 FEBRUARY 2018

Leased assets

At inception the company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

- i) Operating leases
Leases that do not transfer all the risks and rewards of ownership are classified as operating leases.
Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.
- ii) Lease incentives
Incentives received to enter into an operating lease are credited to the income statement, to reduce the lease expense, on a straight-line basis over the period of the lease.

The company has taken advantage of the exemption under Section 35.10(p) of FRS 102 in respect of lease incentives on leases in existence on the date of transition to FRS 102 (2 February 2014) and continues to credit such lease incentives to the income statement over the period to the first review date on which the rent is adjusted to market rates.

Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset.

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the income statement, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the income statement.

Stocks

Stocks are valued at the lower of cost, calculated on a weighted average basis, and estimated selling price less cost to complete and sell. Stocks are recognised as an expense in the period in which the related revenue is recognised. Where necessary, provision is made for obsolete, slow moving and defective inventories.

Cost includes the purchase price, including taxes and duties and transport and handling directly attributable to bringing the inventory to its present location and condition. The cost of manufactured finished goods and work in progress includes design costs, raw materials, direct labour and other direct costs and related production overheads (based on normal operating capacity).

At the end of each reporting period inventories are assessed for impairment. If an item of inventory is

TURNBULL & ASSER LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
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Stocks (continued)

impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the income statement. Where a reversal of the impairment is recognised the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the income statement.

Cash and Cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts including loans. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

The company has chosen to adopt sections 11 and 12 of FRS 102 in respect of financial instruments.

i) Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method where applicable.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (i) the contractual rights to the cash flows from the asset expire or are settled, or (ii) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (iii) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

ii) Financial Liabilities

Basic financial liabilities, including trade and other creditors and loans from fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

TURNBULL & ASSER LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 3 FEBRUARY 2018

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual **Financial instruments (continued)**

obligation is discharged, cancelled or expires.

The company does not hold or issue any derivative financial instruments.

iii) **Offsetting**

Financial assets and liabilities are offset, and the net amount presented in the financial statements when there is a legally 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.

Critical accounting judgements and estimation uncertainty

The preparation of the financial statements requires management to make judgement, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, vary to the actual results. The estimates and assumptions that are most likely to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial period are addressed below.

(i) **Useful economic lives of tangible assets**

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on future investments, economic utilisation and the physical condition of the assets. See note 9 for the carrying amount of the property, plant and equipment and depreciation. Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset

(ii) **Inventory provisioning**

The company designs, manufactures and sells clothing and accessories and is subject to changing consumer demands and fashion trends. As a result, it is necessary to consider the recoverability of the cost of inventory and the associated provisioning required. When calculating the inventory provision, management considers the age, nature and condition of the inventory, as well as applying assumptions around anticipated saleability of finished goods and future usage of raw materials. See note 10 for the net carrying amount of the inventory and associated provision.

(iii) **Impairment of non-financial assets**

The company operates from leasehold stores and online. Each store is considered to be a cash generating unit. At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset's cash generating unit may be impaired. Management considers the forecast sales and cash generation for each store and applies assumptions with respect to future growth. See "Impairment of non-financial assets" section above for accounting policy regarding impairment of non-financial assets.

TURNBULL & ASSER LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 3 FEBRUARY 2018

2. Turnover

The total turnover of the company for the period has been derived wholly from its principal activity.

Turnover by class of business

The analysis by class of business of the company's turnover is set out as below:

	Period ended 3 February 2018	<i>Period ended 28 January 2017</i>
	£000	<i>£000</i>
Sale of goods	9,943	9,622
Concession commission	454	441
	<u>10,397</u>	<u>10,063</u>

Turnover analysis by geographical area

The analysis by geographical area of the company's turnover is set out as below:

	Period ended 3 February 2018	<i>Period ended 28 January 2017</i>
	£000	<i>£000</i>
United Kingdom	7,954	4,505
United States	1,228	3,032
Continental Europe	596	1,358
Japan	355	402
Other	264	766
	<u>10,397</u>	<u>10,063</u>

All operations are based in the United Kingdom.

TURNBULL & ASSER LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 3 FEBRUARY 2018

3. Other operating income

	Period ended 3 February 2018 £000	<i>Period ended 28 January 2017 £000</i>
Other operating income	<u>258</u>	<u>234</u>

This comprises predominantly of royalty income from overseas sales.

4. Operating loss

Operating loss is stated after charging/(crediting):

	Period ended 3 February 2018 £000	<i>Period ended 28 January 2017 £000</i>
Depreciation of owned fixed assets	404	390
Services provided by the company's auditors		
Fees payable for the audit	28	27
Fees payable for other services – tax compliance and company secretarial	4	11
Operating lease expense	886	679
Net gain on foreign currency translation	17	(2)
Inventories recognised as an expense	2,966	2,736
Loss on disposal of tangible fixed assets	48	-

5. Exceptional Items

The exceptional items figure in the profit or loss account is made up of the following items:

	Period ended 3 February 2018 £000	<i>Period ended 28 January 2017 £000</i>
Company restructuring costs	325	-
Abortive store opening costs	51	-
	<u>376</u>	<u>-</u>

In the 2018 period, the company underwent a significant restructure with staff and these costs have been recognised under exceptional items together with the write off of costs relating to abortive store opening and disposal of fixed assets.

TURNBULL & ASSER LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 3 FEBRUARY 2018

6. Particulars of employees

The monthly average number of staff employed by the company during the financial period amounted to:

	Period ended 3 February 2018 No	<i>Period ended 28 January 2017 No</i>
Number of production staff	92	91
Number of retail staff	15	15
Number of administrative staff	44	51
	<u>151</u>	<u>157</u>

The aggregate payroll costs of the above were:

	Period ended 3 February 2018 £000	<i>Period ended 28 January 2017 £000</i>
Wages and salaries	4,161	4,454
Social security costs	389	426
Other pension costs	172	186
	<u>4,722</u>	<u>5,066</u>

7. Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were:

	Period ended 3 February 2018 £000	<i>Period ended 28 January 2017 £000</i>
Emoluments receivable	638	610
Value of company pension contributions to money purchase schemes	33	37
	<u>671</u>	<u>647</u>

TURNBULL & ASSER LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 3 FEBRUARY 2018

7. Directors' emoluments (continued)

Emoluments of highest paid director:

	Period ended 3 February 2018 £000	<i>Period ended 28 January 2017 £000</i>
Total emoluments (excluding pension contributions)	233	352
Value of company pension contributions to money purchase schemes	3	11
	<u>236</u>	<u>363</u>

The number of directors accruing benefits under defined benefit company pension schemes was nil (2017: nil). Included in the salaries are other benefits relating to restructuring costs of £54,000

Key management compensation

Key management includes the directors and members of senior management. The compensation paid or payable to key management for employee services is shown below:

	Period ended 3 February 2018 £000	<i>Period ended 28 January 2017 £000</i>
Salaries and other short-term benefits	638	610
Post-employment benefits	33	37
	<u>671</u>	<u>647</u>

8. Tax on loss

(a) Tax credit included in profit or loss

	Period ended 3 February 2018 £000	<i>Period ended 28 January 2017 £000</i>
Current tax:		
UK corporation tax on loss of the period	-	-
Adjustments in respect of prior period	(7)	(15)
Total current tax	(7)	(15)
Deferred tax:		
Origination and reversal of timing differences	(62)	192
Effects of change in tax rates	13	(25)
Adjustments in respect of prior periods	7	(46)
Total deferred tax (note 16)	(42)	121
Tax on loss	<u>(49)</u>	<u>106</u>

TURNBULL & ASSER LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 3 FEBRUARY 2018

8. Tax on loss (continued)

(b) Reconciliation of tax charge

The tax assessed on the loss before taxation for the period is lower (2018: higher) than the standard rate of corporation tax in the UK of 19.5% (2017 – 20%).

	Period ended 3 February 2018 £000	<i>Period ended 28 January 2017 £000</i>
Loss before taxation	(1,213)	(991)
Loss before taxation by rate of tax at 19.5% (2017 – 20%)	(236)	(198)
Effects of:		
Expenses not deductible for tax purposes	14	25
Income not taxable	-	(4)
Losses not recognised	153	369
Adjustments in respect of prior periods	(1)	(61)
Tax rate changes	21	(25)
Total tax charge/(credit) for the period	<u>(49)</u>	<u>106</u>

(c) Reductions to the UK Corporation Tax rate were substantially enacted as part of the Finance Act 2015 (substantively enacted on 26 October 2015) and updated in March 2016. These reduce the main rate of tax to 19% from 1 April 2017 and to 17% from 1 April 2020.

TURNBULL & ASSER LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 3 FEBRUARY 2018

9. Tangible assets

	Freehold Property £000	Leasehold Property £000	Fixtures & Fittings £000	Total £000
Cost				
At 29 January 2017	967	3,056	4,075	8,098
Additions	-	4	189	193
Disposals	-	(28)	(297)	(325)
At 3 February 2018	<u>967</u>	<u>3,032</u>	<u>3,967</u>	<u>7,966</u>
Accumulated Depreciation				
At 29 January 2017	145	525	2,798	3,468
Charge for the period	10	92	302	404
Disposals	-	(5)	(221)	(226)
At 3 February 2018	<u>155</u>	<u>612</u>	<u>2,879</u>	<u>3,646</u>
Net book value				
At 3 February 2018	<u>812</u>	<u>2,420</u>	<u>1,088</u>	<u>4,320</u>
At 29 January 2018	<u>822</u>	<u>2,531</u>	<u>1,277</u>	<u>4,630</u>

TURNBULL & ASSER LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 3 FEBRUARY 2018

10. Stocks

	3 February 2018 £000	<i>28 January 2017 £000</i>
Raw materials	604	791
Work in progress	32	101
Finished goods	1,885	2,368
	<u>2,521</u>	<u>3,260</u>

There is no material difference between the carrying amount of inventory and the replacement cost.

The amount of inventories recognised as an expense during the period was £2,966,000 (2017: £2,736,000).

11. Debtors

	3 February 2018 £000	<i>28 January 2017 £000</i>
Trade debtors	298	430
Amounts due from related parties	255	439
Other debtors	205	196
Corporation tax receivable	-	15
Prepayments and accrued income	242	271
	<u>1,000</u>	<u>1,351</u>

12. Creditors: Amounts falling due within one year

	3 February 2018 £000	<i>28 January 2017 £000</i>
Loans and Other Borrowings (Note 14)	615	645
Trade Creditors	463	931
Other taxation and social security	101	129
VAT	271	196
Other creditors	114	26
Accruals and deferred income	1,039	917
	<u>2,603</u>	<u>2,844</u>

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

	3 February 2018 £000	<i>28 January 2017 £000</i>
Bank loans and overdrafts (Note 14)	-	-
Other Creditors	-	69
	<u>-</u>	<u>69</u>

TURNBULL & ASSER LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 3 FEBRUARY 2018

14. Loans and other borrowings

	3 February 2018 £000	<i>28 January 2017 £000</i>
T&A Holdings LLC	615	606
Bank Loan	-	39
	<u>615</u>	<u>645</u>

Maturity of financial liabilities:

In one year or less, or on demand	615	645
In more than one year, but not more than two years	-	-
	<u>615</u>	<u>645</u>

On 15 August 2015, Turnbull & Asser Limited took out a loan with its related company T&A Holdings LLC for £400,000 bearing interest at 1% to finance the opening of the new Mayfair Store. Additional advances have been made totalling £200,000. Extension of repayment beyond the original date of 31 December 2015 has been permitted.

The balance of this loan at August 2018 was £600,000 plus accrued interest.

On 26 April 2017, Turnbull & Asser Limited secured a £500,000 working capital facility. The overdraft is subject to covenants based on the delivery of financial information and was renewed for another year in April 2018. It bears interest at base rate plus 5%. The facility is secured predominantly on the South Street headquarters. The facility was undrawn as at the year end.

TURNBULL & ASSER LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 3 FEBRUARY 2018

15. Financial instruments

The company has the following financial instruments:

		3 February 2018 £000	<i>28 January 2017 £000</i>
	Note		
Financial assets that are debt instruments measured at amortised cost:			
Trade debtors	11	298	430
Amounts due from related parties	11	255	439
Other debtors	11	205	196
		<u>758</u>	<u>1,065</u>
Financial liabilities measured at amortised cost:			
Trade creditors	12	463	931
Loans and Other Borrowings	14	615	645
Other creditors	12,13	114	26
Accruals	12	786	917
		<u>1,978</u>	<u>2,519</u>

TURNBULL & ASSER LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 3 FEBRUARY 2018

16. Provision for Liabilities

The movement in the deferred taxation balance during the period was:

	3 February 2018 £000	<i>28 January 2017 £000</i>
At 29 January 2017 / 31 January 2016	102	(19)
Adjustment in respect of prior years	7	(46)
Profit and loss account movement arising during the period	(49)	167
At 3 February 2018 / 28 January 2017	<u>60</u>	<u>102</u>

The provision/(asset) for deferred taxation consists of the tax effect of timing differences in respect of:

	3 February 2018 £000	<i>28 January 2017 £000</i>
Accelerated capital allowances	64	106
Short term timing differences	(4)	(4)
Losses	-	-
	<u>60</u>	<u>102</u>

The net deferred tax asset expected to reverse in 2018/19 is £nil (2016/17; nil).

17. Commitments under operating leases

The company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	3 February 2018 £000	<i>28 January 2017 £000</i>
Not later than one year	571	576
Later than one year and not later than five years	1,806	2,250
Later than five years	867	1,010
	<u>3,244</u>	<u>3,836</u>

18. Related party transactions

The company has traded with the following companies in which Mr A Fayed, a director, has a beneficial interest.

During the period the company made sales of £900,000 (2017: £1,100,000) and received license fee income of £200,000 (2017: £200,000) from Turnbull & Asser LLC. At the period end the company was owed £255,000 (2017: £439,000) by Turnbull & Asser LLC.

TURNBULL & ASSER LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 3 FEBRUARY 2018

18. Related party transactions (continued)

During the period the company recharged operating expenses of £255,881 (2017: £152,273) to Turnbull & Asser LLC and received operating expenses of £19,623 (2017: £40,000). At the period end Turnbull & Asser LLC owed £255,000 (2017: £439,000) to the company.

During the period the company was charged operating expenses of £40,000 (2017: £20,000) by Hyde Park Residence Limited. At the period end the company owed £5,000 (2016: £nil) to Hyde Park Residence Limited.

During the period the company also traded with The Ritz, Paris. During the period the company made sales of £8,000 (2017: £20,000). At the period end the company was owed £nil (2016: £nil) by The Ritz, Paris.

See note 7 for disclosure of key management compensation.

19. Called up share capital

Allotted, called up, issued and fully paid:

	3 February 2018		28 January 2017	
	No	£000	No	£000
8,500,000 (2017: 8,500,000) Ordinary shares of US \$0.00001 each	8,500,000	-	8,500,000	-
38,500,000 (2017: 34,500,000) Ordinary shares of £0.10 each	38,500,000	3,850	34,500,000	3,450
	<u>47,000,000</u>	<u>3,850</u>	<u>43,000,000</u>	<u>3,450</u>

The Ordinary US\$ shares are each entitled to receive dividends amounting to the first 99% of the amount of profits which the company may determine to distribute in respect of any financial period, divided by the number of Ordinary US\$ shares then in issue. The Ordinary £ shares are each entitled to receive a dividend of the remaining 1% of distributable profits, divided by the number of Ordinary £ shares then in issue.

Each Ordinary US\$ share carries 99 votes. Each Ordinary £ share carries one vote.

In the event of a return of capital or winding up the Ordinary US\$ shares shall be entitled to receive the first 99% of the assets available for distribution. Only after the Ordinary US\$ class has received its full entitlement shall the Ordinary £ class be entitled to the balance of the assets available.

Neither class of share is redeemable at the shareholder's request.

During the period 4,000,000 £0.10 were issued and fully paid. This equates to a £400,000 cash injection.

TURNBULL & ASSER LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 3 FEBRUARY 2018

20. Notes to the statement of cash flows

Reconciliation of operating loss to net cash outflow from operating activities

	Period ended 3 February 2018 £000	<i>Period ended 28 January 2017 £000</i>
Loss for the financial period	(1,164)	(1,097)
Tax on loss on ordinary activities	(49)	106
Interest receivable and similar income	(1)	(1)
Interest payable and similar charges	12	7
Exceptional items	376	-
Operating loss	(826)	(985)
Depreciation of tangible assets	404	390
Loss on disposal of fixed assets	99	-
Decrease/(increase) in stocks	739	112
Increase in debtors	336	(64)
Increase in creditors	(279)	175
Exceptional items	(376)	-
Cash flow from operating activities	<u>97</u>	<u>(372)</u>

21. Ultimate controlling party

The ultimate controlling party is the Fayed family.

22. Post Balance sheet events

In June 2018 10,000,000 ordinary shares of £0.10 each were issued at par value. This equates to a £1,000,000 cash injection.