TFG Brands (London) Limited
Annual report and Financial Statements
for the year ended 25 March 2023

Registered number: 09379971

TFG Brands (London) Limited

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TFG Brands (London) Limited

Strategic Report

The Directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

This strategic report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to TFG Brands (London) Limited ("TFG London") and its subsidiary undertakings when viewed as a whole.

Review of the business

	2023 £m	2022 £m
Turnover	337.7	310.0
Adjusted EBITDA (note 6)	38.9	36.8
Operating profit	28.1	19.9
Profit/(Loss) after tax	3.5	(0.1)

TFG London's accounting period ends on the last Saturday in March each year, as permitted under section 390 of the Companies Act 2006, and as a result this set of audited accounts is for the 52 week period ended 25 March 2023 (hereafter referred to as 'year ended 25 March 2023'). The comparative period represents the 52 week period ended 26 March 2022 (hereafter referred to as 'year ended 26 March 2022').

TFG London comprises a portfolio of high-quality womenswear brands; Phase Eight – a premium brand with a global following and an emphasis on occasion wear; Whistles – a contemporary fashion brand loved for its confident, modern attitude to style and its curated edit of casual and occasion wear; and Hobbs - an affordable luxury brand with impeccable tailoring and smart daywear.

Despite the challenging economic backdrop in the UK driven by the cost of living crisis and high inflationary environment, we successfully achieved a strong set of financial results for fiscal year 2023 and continued our solid post Covid recovery and delivered on our business objectives. The return to a more normalised consumer demand pattern post Covid continues to be unpredictable and tough economic conditions have impacted both consumer sentiment and purchasing habits. Nevertheless, this year saw a resurgence of in-store shopping behaviour and highlighted the importance of our cross channel offering. Store footfall continues to be on an upward trend and our stores have a significant role to play in our business as we continue to invest in our estate to provide our customers with a personalised 5* service. In parallel, we continue to build our digital capability, offering a more seamless shopping experience and prioritising high stock availability to meet our customers' demands. In line with our strategic international expansion drive, we also achieved growth in our non-UK markets together with a greater consistency of performance. As a result we have seen a year on year increase in turnover, improving from £310.0m to £337.7m. This was driven by a combination of positive like-for-like performance and the openings of new stores. During the year, we also closed some stores as we continue our operational transformation program and moving to a higher quality, more profitable core business. The total number of outlets (including concessions) across TFG London in the UK and internationally at the end of the year amounted to 589 (2022: 684).

Gross margin for the year was 66.7% (2022: 64.8%), with the improvement driven by a higher full price mix, less days on promotion and a focus on protecting stock allocations for our best partners. Stock provision at the year end was £37.0m (2022: £27.1m) after a stock provision charge in the year of £12.6m (2022: £2.1m).

Distribution costs of £149m (2022: £138m) increased mainly due to the move of one distribution centre and increased stockholding costs.

TFG Brands (London) Limited

Strategic Report (continued)

Administrative expenses were £48.3m in the year ended 25 March 2023 (2022: £46.5m) driven by inflation. TFG Brands London group is in a net liabilities position of £218.5m (2022: £221.5m). Excluding intercompany loans and preference shares the group is in a net asset position of £137m (2022: £117m). Intercompany loans and preference shares total £356m (2022: £338m).

TFG London delivered an adjusted EBITDA profit of £38.9m (2022: £36.8m profit), as set out in the table above and further defined in note 6.

The rising interest rate environment in the UK has continued to have a significant impact on risk ratings and has driven an increase in the Weighted Average Cost of Capital ("WACC") for the Group during the year to 11.9% (2022: 9.7%). Following an improvement in store performance post pandemic, the Group reported an overall impairment reversal of £1.6m (2022: £2.1m). There was no impairment of intangibles during the year (2022: Nil).

Profit after tax for the year ended 25 March 2023 improved to £3.5m (2022 £0.1m loss). The current year profit includes £2.7m of provision release (note 23) in relation to other employee matters (2022: £2.3m provision). Cash stood at £78.5m at year end (2022: £93.7m) driven by investment in working capital.

Loans and borrowings amounted to £407.1m at the end of the year (2022: £392.0m) including intercompany loans of £113.5m (2022: £107.6m), external bank borrowings of £51.5m (2022: £53.8m) and preference shares owed to the parent company Dress Holdco A of £242.0m (2022: £230.6m). Note following the financial year end, TFG London has extended the maturity date of its long term bank facility to February 2025, therefore the bank loan of £51.5m has moved from current liabilities to non-current liabilities, post the balance sheet date.

TFG London ended the financial year with a very strong brand portfolio, a strong online and store presence (both direct and through third parties), limited operational leverage and a strong cash position. These factors, together with those set out below, ensure that we remain confident in our outlook, though cautious recognising the uncertainty in economic conditions:

- A strong multichannel offering
- Diverse international presence across Europe, Asia and the Americas
- Short average store leases with increasing flexibility
- A resilient core consumer
- A supportive group of key stakeholders, including our shareholders, suppliers, lenders and senior team.

Key Performance Indicators

The Directors use various financial and non- financial measures to assess the performance of the business. The financial measure which, in the opinion of the Directors, gives the best indication of the business' performance is adjusted earnings before interest, tax, depreciation, amortisation and impairment ("Adjusted EBITDA" as defined in note 6), which was a profit of £38.9m (2022: £36.8m). The movement in EBITDA is driven by the improved trading referred to above together with the other factors discussed in the report above and as set out in note 6.

Key non-financial measure includes establishing targets related to emissions reduction, energy efficiency, resource management, and responsible practices. TFG London's carbon footprint report for FY22/23 illustrates a reduction in emissions of 12% in tCO_2e. See more details in the Environmental reporting section below.

TFG Brands (London) Limited

Strategic Report (continued)

Principal Risks and Uncertainties

TFG London has a well-established brand portfolio, with a loyal customer following and a distinct brand identity which performed increasingly well as we accelerated out of the pandemic. The directors are of the opinion that the principal risk facing the business is the extent of the consumer impact of inflation and cost price increases that we are seeing currently. Our ability to continue to stay relevant and to design and retail clothing and accessories ranges which present good value and meet the customers' needs together with our strong online presence means we remain in as strong a position as possible to thrive going forwards. As mentioned, the performance of the economy in general will always remain a risk to the business.

The Group's operations expose it to a variety of financial risks that include the effects of changes in foreign currency exchange rates, liquidity risk and interest rate risk. The group seeks to limit the adverse effects on the financial performance of the group where possible by using forward rate contracts and monitoring levels of cash holdings, debt finance and related finance costs. The policies set by the Board of directors are implemented by the group's finance department. Foreign exchange, credit, liquidity and interest rate risk are managed at Director level. Financial risks discussed in more detail with the directors' report.

The Group is also subject to inventory risk and its ability to sell through goods based on changes in consumer sentiment or market conditions. Overstocking can lead to increased carrying costs and the risk of outdated or unsellable inventory, which can impact Group profitability. The group utilises various techniques to mitigate overstocking including an ongoing review of future intake commitments against expected sales demand and other traditional methods such as discounting and promotional activity during end of season sale periods. As mentioned above, the macroeconomic environment and impact to consumer sentiment will always remain a risk when calculating expected sales demand.

Operational Risks

TFG London's operations expose it to a variety of financial risks that include the effects of changes in foreign currency exchange rates, liquidity risk and interest rate risk. The Group seeks to limit the adverse effects on the financial performance of the Group where possible by using forward rate contracts and monitoring levels of cash holdings, debt finance and related finance costs. The policies set by the Board of Directors are implemented by the Group's finance department. Foreign exchange, credit, liquidity and interest rate risk are managed at Director level.

Effects of climate change

TFG London recognises the major impact that the global apparel and footwear industries have on the environment, and we have identified risks associated to climate change within our own operations and supply chains.

Severe drought and weather pattern changes may in the long term cause a shortage of crops used for the manufacturing of our products. Rising electricity and transportation expenses may also increase the cost of moving goods. Regulatory restrictions on goods linked to climate change could also increase costs.

Within TFG London's supply chains, the most pressing risks are identified in the extraction and production of our raw materials and fibres, and the dependence on finite resources and emissions related to manufacturing.

As such, a key strategic objective for TFG London has been to focus on substituting conventional fibres and materials with preferred lower impact and more responsible alternatives.

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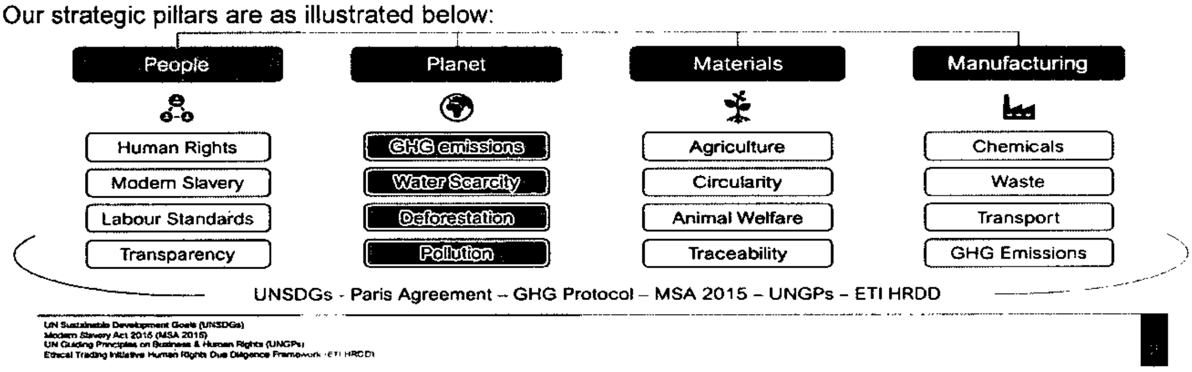
Strategic Report (continued)

In our own operations, key areas addressed include but are not limited to, the distribution of our goods, the use of renewable energy in our head offices, stores and distribution centres, packaging, product longevity, as well as end-of-life and recyclability.

TFG London has a group wide sustainability strategy guiding its efforts to reduce its environmental footprint, based on the UN Sustainable Development Goals, and under which the decarbonisation strategy sits.
As a responsible business, TFG London aims to credibly and purposefully put people and the planet first.
Our vision is to be radically inclusive, using our unique Group position and collective leverage to accelerate impact mitigation throughout our direct operations and in our supply chains, with the ultimate goal of reaching Net-Zero by 2050, while bringing our external stakeholders along on the journey, for the betterment of the entire fashion industry.

Our strategic pillars are as illustrated below:



TFG London Sustainability strategy was established to reorient ourselves towards reducing our impact on people and the planet.

Feeding into the sustainability pillar of TFG London's operational strategy, the strategy is comprised of four pillars that represent significant impact areas of our business. It considers the full life cycle and circularity of our business operations and the products we make, from cradle to grave, as all sustainability solutions should.

People, Planet, Materials, and Manufacturing all speak to a set of universal and intersectional social and environmental issues that are felt in our business and supply chains, and forms short, medium- and long-term solutions to these issues.

Below is a broad overview of the main issues associated with each strategic pillar.

Our **People** pillar looks to strengthen our commitment to uphold, defend and promote human rights and labour standards in our own operations and supply chains, adding a Just Transition lens on all that we do, to ensure a transition to low carbon economies are fair and just, not leaving behind those most vulnerable, who overwhelmingly are the people who make our products.

Our **Planet** pillar looks to reduce our impact on the planet, establishing a decarbonisation roadmap to limit our Greenhouse Gas emissions and contribution to global warming to 1.5 degrees Celsius, and reaching net zero by no later than 2050.

Our **Materials** pillar gives focus to the materials used in our products. We champion the use of natural materials for their enhanced circularity qualities, while ensuring that our entire portfolio of materials transition to more responsible and lower impact alternatives. We recognise that agriculture plays a fundamental role in the cultivation of those preferred natural materials, so exploring organic and regenerative agricultural practices is an important step in our journey, helping to sequester and lock away existing carbon in the atmosphere.

Our **Manufacturing** pillar is aimed at embedding lower impact processes and techniques throughout all production processes used in the creation of our products, championing the use of safer chemicals, and ensuring the responsible management during the input and output stages of dyeing and finishing.

The solutions to the issues highlighted are all anchored by well-established and external multistakeholder frameworks, such as the UN Sustainable Development Goals and the UN Guiding Principles on Business and Human Rights, as well as the Paris Agreement, which support our efforts to work collectively with our industry peers in seeking the same goals.

Risk Management

The processes used by the organisation to identify, assess and manage climate-related risks

TFG London's general approach for identifying significant risks and opportunities relies on our management's evaluation of current events and its expectations regarding future developments. We have an extensive risk due diligence program that annually assesses risks-including fraud risk, sustainability, corporate governance and ESG – to our business and the businesses of our partners.

As a part of the annual risk evaluation, TFG London applies an Internal Audit Plan in collaboration with our ultimate parent company The Foschini Group Limited, in South Africa. The goal of the risk assessment process is to create an audit plan that identifies risks and exposures and evaluates management's risk mitigation strategy.

TFG London risk management is overseen by the TFG London Audit Committee of the Board of Directors, however, management is primarily responsible for day-to-day risk management processes.

Additionally, management periodically updates the Board on its continuous monitoring the risk of fraud. TFG London senior management and its Board of Directors evaluates sustainability and climate-related risks associated with TFG London operations, including, but not limited to, product safety and material compliance requirements, disruptions to the supply chain from adverse weather, and material scarcity, such as reduced herd size or poor cotton yields from drought.

In evaluating risk, the Board and its committees consider whether TFG London's risk programmes adequately identify material risks facing the Company in a timely fashion, implement appropriate responsive risk management strategies, and adequately transmit necessary information with respect to material risks within the organization.

The Audit Committee of the Board of Directors, in its oversight role, periodically reviews the TFG London risk management policies and programmes to ensure risk management is consistent with the Company's corporate strategy and effective in fostering a culture of risk-aware and risk-adjusted decision-making throughout the organization.

Environmental Report

Climate change presents a number of risks and opportunities that TFG London has assessed.

Risks		**Implications/Opportunities for TFG London**
Increasing Regulations	Emerging Regulations	Compliance requirements
Resource Scarcity	Sourcing	Advantage of group leverage

Adoption and transition costs	Technology	Increased energy efficiency
Investors and Consumers Perception	Reputation	Be at the forefront of decarbonisation
Increased Awareness of consumption impacts	Market	Meet consumer demand

Consumer Expectations

TFG London strategically considers both risks and opportunities associated with climate change to develop measurable targets and allocate appropriate resources and investments, with the ultimate goal to reverse the effects of climate change and maximise opportunities.

Governance: The organisation's governance and climate-related risks and opportunities.

Governance plays a crucial role in managing climate-related risks and opportunities within our organisation. Our effective governance ensures that climate change is integrated into the TFG London's overall strategic decision-making processes, risk management frameworks, and reporting practices. Here's how our governance relates to climate-related risks and opportunities:

- **Board Oversight**: The operational board of directors, as part of its fiduciary duty, provides oversight of climate-related risks and opportunities and is equipped with the understanding of climate science, policy, and industry-specific implications that can enhance the board's ability to effectively oversee climate-related risks and opportunities. The Head of CSR and Sustainability has direct day-to-day responsibility for understanding the potential impacts of climate change on the organisation, setting the strategic direction to address these risks and opportunities, and monitoring the organisation's performance in managing them. Dedicated sustainability committees are established to specifically focus on climate-related matters.

- **Policies and Procedures** are the frameworks of our governance, climate-related risks are at the forefront of our risk-management strategy and inform the development of mitigation strategies by monitoring and reporting on their effectiveness.

- **Performance Metrics and Reporting are established** to track our progress in managing climate-related risks and capitalising on opportunities. This includes establishing key performance indicators (KPIs) and targets related to emissions reduction, energy efficiency, resource management, and responsible practices.

- **Stakeholder Engagement** is key for TFG London to engage on climate-related issues to better understand expectations, concerns, and priorities regarding climate-related risks and opportunities. TFG London ensures compliance within the evolving climate-related regulations and **discloses** relevant information in our financial reports, sustainability reports, and other communications.

By integrating climate-related risks and opportunities into governance structures, we can enhance our ability to identify, manage, and capitalise on the challenges and opportunities presented by climate change. Climate considerations are embedded in our overall strategy, risk management, and reporting practices, ultimately contributing to long-term sustainability and value creation.

TFG London acknowledges that climate change can have various effects on our business across different sectors. Some of the risks we have identified due to climate change are:

- **Physical Damage and Disruption**: Climate change can result in more frequent and severe weather events, that can cause physical damage to business infrastructure, leading to production delays, supply chain interruptions, and increased costs for repairs and recovery.

- **Increased Costs**: We may face higher costs associated with climate change. Operating in sectors reliant on natural resources, we may experience increased costs due to resource scarcity or changes in availability.
- **Supply Chain Disruptions**: Climate change can affect the availability and quality of resources, impacting supply chains.
- **Regulatory and Policy Changes**: Governments are implementing regulations and policies to address climate change and we may face increased compliance costs.
- **Market Shifts and Consumer Preferences**: Climate change awareness is influencing consumer behaviour, but proactively addressing climate-related concerns can capture opportunities by developing innovative solutions and sustainable business models.
- **Reputational Risks**: Businesses that are perceived as contributing to climate change or not taking sufficient action to mitigate its effects may face reputational risks.
- **Business Opportunities**: While climate change poses risks, it also presents its opportunities. Seizing these opportunities may gain a competitive advantage and long-term profitability.

It is important for TFG London to assess our vulnerabilities and opportunities related to climate change, develop strategies for adaptation and mitigation, and communicate these efforts to all our stakeholders. By proactively addressing climate-related risks and seizing opportunities, we can enhance our resilience and sustainability in a changing climate.

As a response to these concerns and to equip us to best respond to these risks, TFG London have partnered with a carbon agency to measure its baseline emissions (FY2020) and identify initiatives for decarbonising key impact areas and adopt a responsible offsetting strategy.

TFG London's near-term targets have been validated and approved by the Science Based Targets initiative (SBTi) and commits to reducing absolute scopes 1 and 2 GHG emissions 95% by FY2030 from a FY2020 base year. TFG London also commits to increasing annual sourcing of renewable electricity from 0% in FY2020 to 100% by FY2030. TFG London further commits to reducing absolute scope 3 GHG emissions from purchased goods and services and upstream transportation and distribution 30% within the same timeframe.

TFG London's decarbonisation roadmap was developed to help inform the business's wider sustainability strategy. The objective is to give TFG London a sense of how quickly it can act on reducing emissions, with what measurable impact and at what cost, and what are the opportunities to prioritise responsible offsetting.

These projects allow us to offset 8,777 tCO_2e, representing 11% of total emissions recorded for the baseline year 2020. This includes all TFG London's scope 1 and 2 emissions and scope 3 business travel, employee commuting, downstream transport and distribution and end-of-life treatment of sold products.

Policy and Regulations

Policy and regulations can significantly impact our business as climate-related risks. Governments around the world are setting and implementing:

- **Carbon Pricing and Emissions Regulations** such as carbon taxes or cap-and-trade systems, to reduce greenhouse gas emissions.
- **Renewable Energy Standards and Incentives** to encourage the adoption of clean energy sources.
- **Energy Efficiency Regulations** to reduce energy consumption and greenhouse gas emissions.

Strategic Report (continued)

- **Reporting and Disclosure Requirements,** mandating climate-related reporting and disclosure.
- **Trade and Import/Export Regulations** related to climate change, such as carbon border adjustments or restrictions on certain products with high carbon footprints.
- **Policy Uncertainty and Regulatory Changes** that can create uncertainty for our business.

It is crucial for TFG London to stay informed about climate-related policies and regulations, assess their potential impact, and continue to develop strategies to manage and mitigate associated risks. By actively monitoring and adapting to policy changes, we can capitalize on opportunities, maintain compliance, and navigate the evolving regulatory landscape in a changing climate.

Consumer Expectations

Consumer expectations regarding climate change have evolved rapidly in recent years. Consumers are increasingly concerned about the environmental impact of their purchasing decisions and expect businesses to demonstrate sustainability and climate responsibility. In particular:

- **Sustainable Products and Services**: Consumers are seeking products and services that are environmentally responsible and have a reduced carbon footprint.
- **Transparency and Disclosure**: Consumers expect transparency from companies regarding their environmental practices and impact.
- **Emissions Reduction and Renewable Energy**: Consumers expect companies to take concrete actions to reduce their greenhouse gas emissions. This includes setting ambitious emissions reduction targets, implementing energy-efficient practices, and transitioning to renewable energy sources.
- **Supply Chain Responsibility**: Consumers are becoming increasingly interested in the sustainability of the entire supply chain. They expect companies to ensure ethical sourcing, fair labour practices, and environmentally responsible production processes throughout their supply chains.
- **Recycling and Waste Management**: Consumers expect companies to implement effective recycling programs and reduce waste generation.
- **Climate Advocacy and Partnerships**: Consumers expect companies to actively engage in climate advocacy and collaborate with stakeholders to drive positive change..
- **Education and Awareness**: Consumers expect companies to educate and raise awareness about climate change and sustainable practices. Empowering consumers with knowledge and encouraging responsible behaviours can foster loyalty and attract environmentally conscious consumers.

Meeting consumer expectations on climate change requires us to adopt comprehensive sustainability strategies, integrate environmental considerations into our products and operations, and communicate our efforts transparently. By aligning with consumer values and demonstrating commitment to climate responsibility, TFG London is well positioned to build brand loyalty, attract new customers, and contribute to a more sustainable future.

Investors and Lenders

Investors and Lenders play a crucial role in addressing climate change by influencing the allocation of capital and driving companies towards sustainable practices. TFG London considers the engagement of investors and lenders around:

Strategic Report (continued)

- **ESG Integration**: Environmental, social, and governance (ESG) factors, including climate change, have gained prominence in investment and lending decision-making. Integration of ESG factors helps them to assess the long-term sustainability and resilience of their portfolios.
- **Shareholder Engagement**: Investors and lenders engage with companies through shareholder resolutions, proxy voting, and direct dialogue to influence their approach to climate change.
- **Divestment and Investment Allocations**: Some investors choose to divest from companies with significant climate-related risks or inadequate climate strategies. By allocating capital towards climate solutions, they can support the transition to a low-carbon economy.
- **Climate Risk Assessment**: Investors and lenders are increasingly incorporating climate risk assessments into their investment processes. They evaluate the physical risks (e.g., property damage, supply chain disruptions) and transition risks (e.g., policy changes, technological advancements) that climate change poses to companies.
- **Climate Disclosure and Reporting**: Investors and lenders demand more transparency and consistent disclosure of climate-related information from companies. They support reporting frameworks providing guidelines for disclosing climate-related risks, opportunities, and strategies.
- **Collaborative Initiatives:** Investors and lenders are joining forces through collaborative initiatives to amplify their influence on climate-related issues and engage with companies to ensure alignment with the goals of the Paris Agreement and drive emissions reductions.
- **Financial Performance Considerations**: Investors and lenders are recognising that climate change can have material impacts on financial performance. They understand how TFG London's effective management of climate risks and seizing climate opportunities are more likely to deliver sustainable long-term returns.

Overall, TFG London is aware that investors and lenders are increasingly considering climate change as a fundamental aspect of their investment strategies. By integrating climate-related factors into investment processes, engaging with companies, and supporting climate-friendly initiatives, they are driving the transition to a more sustainable and low-carbon economy.

Climate change presents specific opportunities for TFG London to transform its operations and contribute to a more responsible and environmentally conscious industry, including:

- **Sustainable Material Innovation**: Investment in research and development of sustainable materials and textiles is expanding, slowly closing the innovation gap. Investing in sustainable material innovation allows us to offer lower impact and responsibly sourced products to meet the growing consumer and planetary demand for responsible fashion.
- **Supply Chain Transparency:** Transparent supply chains not only contribute to sustainability but also help build trust and brand loyalty among consumers.
- **Sustainable Packaging and Logistics**: TFG London can reduce our environmental footprint by adopting responsible packaging practices and optimising logistics.
- **Conscious Consumer Education**: Educating consumers about sustainable fashion and the environmental impact of their purchasing decisions is an opportunity for TFG London to drive change. By raising awareness and empowering consumers, we could promote a shift towards more responsible and conscious fashion options.

Strategic Report (continued)

- **Collaboration and Industry Partnerships**: Collaboration among industry peers, associations, and stakeholders on a precompetitive level can drive collective action towards sustainability. We value partnerships with sustainable fashion enterprises, NGOs, and suppliers to foster innovation and drive positive change within the industry.
- **Data-Driven Sustainability**: TFG London uses data analytics to assess the carbon footprint of our operations, track key sustainability metrics, and identify areas for improvement.

By embracing these climate-related opportunities, we strive to position ourselves as leaders in sustainability, attract environmentally conscious consumers, and contribute to the transformation of the fashion industry towards a more sustainable and climate-responsible future. Implementing responsible practices not only mitigates climate risks but also drives innovation, enhances brand reputation, and fosters long-term business resilience.

Strategy: The actual and potential impacts of climate-related risks and opportunities on the organisation's businesses

As outlined above, TFG London has successfully developed a low-carbon and finite resources transition plan. TFG London's finalised climate change roadmap has introduced quantitative metrics around environmental impacts and climate change into its scenario planning. Climate-related risks and opportunities have influenced TFG London's strategy in the following ways:

Products and Services

The Product teams across all TFG London brands consider the environmental and climate impacts of fibres and materials used in the making of our collections. Informed by the decarbonisation roadmap, they are gradually transitioning to more environmentally responsible fibres and materials where possible, taking into account commerciality, availability and innovation.

Since implementing our responsible sourcing strategy in 2020, TFG London has made positive progress transitioning our raw fibres and materials to lower impact and more responsible alternatives and we are set to achieve a minimum of 100% lower impact and more responsible fibres by 2030.

Supply Chain

TFG London is member of the Leather Working Group and aims to transition all its leather to come from Gold, Silver and Bronze-rated Leather Working Group tanneries by 2025.

Operation

Financial year 2022 (FY22)

For reference, the below table captures how the carbon emissions were captured during FY22. Scope 1, 2 and 3 emissions were linked to kilowatt hours of energy.

	Total Consumption (in kWh)	kWh linked tCO_2e Location-based	kWh linked tCO_2e Market-based
	2022	**2022**	**2022**
Scope 1	56,259.60	14.07	14.07
Scope 2	7,526,452.05	1,598.09	505.83
Scope 3*	n/a	n/a	n/a
TOTAL	7,582,711.65	1,612.16	519.90

Strategic Report (continued)

* Scope 3 had not been included in terms of kilowatt hours as these were supply chain emissions which at the time were difficult to quantify as kilowatt hours.

In addition, for FY22 we also included the Greenhouse Gas Emissions Intensity Ratio, as shown in the table below.

Total Footprint (Scope 1 & Scope 2) – CO2e tonnes		
	2022 Location-based	**2022 Market-based**
Total employees	1,915	1,915
Scope 1 & 2	1,620.51	528.25
Intensity Ratio (tCO_2e/employee)	0.846	0.276

Intensity metrics were best represented as Scope 1 and 2 emissions under the operational control of TFG London. Scope 3 is voluntary to report with an increasing boundary, making year-on-year comparison challenging.

Total Footprint (Scope 1, Scope 2 and Scope 3 and Outside of Scopes) – CO2e tonnes		
	2022 Location-based	**2022 Market-based**
Our Employees	1,915	1,915
Scope 1, 2 & 3	20,319.36	19,227.10
Intensity Ratio (tCO_2e/employee)	10.611	10.040

Total TFG London Scope 1, 2 and 3 emissions in tCO_2e

CO2e tonnes (Dual Reporting Methodology)		
	Location Based	**Market Based (supplier specific)**
	2022	**2022**
Scope 1	22.42	22.42
Scope 2	1,598.09	505.83
Scope 3	18,698.84	18,698.84

Methodology

For FY22, TFG London has used the 'Greenhouse Gas Protocol – Operational control' methodology to calculate the emissions in this report. Energy consumption is calculated using standard energy conversions.

Changes in Scope 3

TFG London have extended their boundary to account for additional Scope 3 categories, including Well-to-Tank emissions, Capital Goods, purchased goods and services, downstream transportation and distribution and end-of-life of sold products. This has resulted in the increase in Scope 3 emissions.

Strategic Report (continued)

Financial year 2023 (FY23)

To address the difficulties in quantifying Scope 3 emissions, following FY22 carbon reporting, TFG London has worked on defining an emissions reduction target for Scope 1, 2 and 3. To achieve this, we commissioned our carbon agency partner to develop a baseline assessment for FY20.

The FY20 data in the table below informed our decarbonisation roadmap in line with the Paris Agreement and the SBTi to reach net zero no later than 2050.

In addition, the carbon footprint report for FY22/23 below illustrates our most recent emissions and a reduction of 12% in tCO2e, compared to FY19/20.

Activity	2020 CO_2e tonnes	2023 CO_2e tonnes	% variance versus 2019-20	% total emissions (MB)
Scope 1 total	227	115	-50%	0.2%
Scope 2 total (LB*)	2,381	1,369	-42%	2.0%
Scope 2 total (MB)**	3,129	1,117	-64%	1.6%
Scope 3 total	73,971	66,573	-10%	98.2%
Total (LB)	**76,579**	**68,057**	**-11%**	***N/A***
Total (MB)	**77,327**	**67,805**	**-12%**	**100.0%**

**Location Based*
***Market Based*

Note these disclosures have been prepared as though the group were quoted and therefore contain additional qualitative and quantitative information that is not mandatory for an unquoted group. The figures may therefore not be fully comparative to an unquoted peer making SECR disclosures.

TFG London's emissions calculation methodology

The methodology used to calculate the GHG emissions is in accordance with the requirements of World Resources Institute (WRI) Greenhouse Gas (GHG) Protocol (revised version) and the guidelines set out by the Science-based Targets Initiative (SBTi).

TFG London follow an operational control approach to defining our organisational boundary. This boundary aligns to the requirements of the GHG protocol and SBTi, capturing all upstream and downstream emissions relevant to our business. This approach allows TFG London to focus our attention and resources to drive meaningful change across our own business operations and along the value chain of which we are a part.

TFG London's reported GHG emissions from in-scope business activities fall within the reporting period of April 2022 to March 2023, using the reporting period of April 2019 to March 2020 as a baseline for comparison.

The emission factors and models used to calculate total emissions are sourced from trusted, leading agencies, including Defra, the International Energy Agency, the UN Statistical Division and EDGAR.

Strategic Report (continued)

Further notes on scope 3 methodology

Working with our carbon agency partner, TFG London has developed a hybrid methodology to calculate our scope 3 emissions.

Wherever actual activity data is available, a process-based method has been employed to calculate the business's emissions. Where data is incomplete, extrapolations and estimations are employed using assumptions based on our knowledge of our business and wider value chain. Where actual data is not available, TFG London has used a spend-based methodology, utilising our carbon agency partner's proprietary EEIO model to estimate emissions.

This approach ensures that our footprint is complete, regardless of the amount of actual data available. While we have made strong progress in collecting actual data across the majority of the activities within our footprint, our ongoing focus on data quality will allow us to continually improve the accuracy and granularity of our footprint.

Statement by the Directors in performance of their statutory duties in accordance with s172 Companies Act 2006.

Our relationship with stakeholders is based on ongoing dialogue as well as on maintaining cooperative relationships and establishing strategic partnerships that allow the Group to make progress on important issues such as achieving the Sustainable Development Goals and respecting and promoting Human Rights. To build these relationships, the Group follows the principles included in various policies such as the Gender Pay Policy, Modern Slavery Act Transparency Statement, Anti Bribery Policy, among others.

A key part of our strategy is to ensure we have an appropriate retail store portfolio and partner mix across each brand within TFG London, and across the countries that we trade within. Our aim is to operate from a balanced portfolio of stores and partners and in order to achieve this on an ongoing basis, the Directors and key stakeholders regularly review and determine the optimal plan that aligns with the financial objectives of the business and key stakeholders, and review key metrics against agreed benchmarks. The Directors consider a number of key factors, with significant engagement from relevant team members and external business partners; consideration for new store opportunities, relocations in existing markets and closures of stores, where financial targets are not projected to be met.

The likely consequences of any decision in the long term

In the decisions taken during the year ended 25 March 2023 the Directors have acted in good faith and in a way that they consider would be most likely to ensure and promote the future success of the Group. In their decision making concerning the business, the Directors ensure that they consider a wide variety of matters including but not limited to the interest of various stakeholders, the consequences of their decisions in the short and long term and the enduring reputation of the Group. There were a number of key decisions made during the year including opening and closing of new stores in line with the Group's strategy of bigger, better stores.

The interests of the Group's employees

At TFG London we pride ourselves on having our teams at the heart of everything we do. We care about the well-being of our employees, and about enabling them to perform to the best of their ability through the multiple challenges that they face.

Strategic Report (continued)

TFG London is an equal opportunities employer and as such is committed to promoting diversity in the workplace and prides itself on having a diverse workforce. We believe that we all have the right to be treated with dignity and respect in an environment free from abuse, offensive behaviour, harassment, bullying or prejudice. Our recruitment, selection, development and promotion processes for all applicants and employees are a reflection of this and ensure everyone is treated fairly and without discrimination.

During the year, TFG London continued to operate an Inclusivity and Diversity board which has driven a deeper awareness of the conscious and unconscious ways that we as individuals may impact others. We have engaged with an external provider to train every manager in our business and to provide training materials to the wider team to enhance understanding and improve awareness and behavioural outcomes of all our teams. The employee feedback on this has been positive across the board and so we have continued our partnership, committing to further programmes with the teams. Furthermore, we have implemented an online learning platform with a wide range of training content available and all new employees to the business complete a range of training including on DEI as part of their induction.

We conducted an Employee Engagement Survey in May 2023 and the results have been overwhelmingly positive with 78% engagement level across all the brands within the Group, which is significantly above both retail and general workforce benchmarks, and positive feedback received regarding culture, teamwork, relationship with line manager and the employee's role.

Employees are kept informed of matters of concern to them in a variety of ways, including newsletters circulated to stores, regional meetings and retail conferences. The central teams have a monthly update from the senior members to cover all points of information and interest. Again, the feedback on the level of communication has been positive and we are clear where the points for further improvement lie. These communications help achieve a broad awareness among employees of the financial and economic factors affecting the performance of the company and of the cultural elements which make TFG London and our brands a great place to work.

TFG London continues to be committed to providing all employees with opportunities to share their views and provide feedback on issues that are important to them. It is important to us that we encourage and maintain effective communication and consultation between employees and their direct managers and the senior management of the business. Employees are also provided with briefings by senior management on important issues such as our strategy, performance and health, safety, environmental matters and progress on key initiatives such as sustainability. The policy of the company is to consult and discuss matters with employees and resolve any problems that arise in this manner. The Group continues to work hard to maintain good labour relations with all employees and the management of any issues which have arisen have always followed relevant legislation. As part of our DEI commitment, the business is committed to employment policies which follow best practice, based on equal opportunities for all employees, irrespective of gender, race, colour, disability, age or marital status.

Annually the Directors consider and approve the gender pay gap report which can be found at individual brands' websites. We also review annually our whistleblowing policy, which together with all our employment and compliance policies, are shared with employees on the company shared drive and Workspace.

The need to foster the Group's business relationships with suppliers, customers and others

Engagement with suppliers

Across the business we have developed a strong and trusted network of suppliers who form an integral part of our business and of our success. We value all our suppliers and work collaboratively on a long-term basis, jointly analysing and planning all aspects of production, delivery and quality control. We expect our suppliers to maintain the same codes of conduct as we do, throughout their business, and communicate this, so that they are aligned with our own corporate social responsibility commitments. The Directors discuss payment terms with management at high level to make sure they are in line with industry and market benchmarks. The Directors are kept informed about the Group's payment performance which is circulated every six months.

An annual review of the Modern Slavery Statement is completed every year by the Directors. This important statement explains the activities we have undertaken during the year to demonstrate our commitment to seeking to ensure that there is no slavery, forced labour or human trafficking within any part of our business or in our supply chains. This report can be found at our individual brands' websites.

Engagement with suppliers can be evidenced by the number of meetings held on a monthly basis within the brands by the leadership teams to talk through the brand strategy and to plan the upcoming seasons and how this will play out for the supplier. Volumes, ways of working and payment terms are discussed regularly in order to both build the relationship and to ensure there is a clear commitment on both sides to deliver what is expected.

Engagement with customers

We actively engage with our customers throughout the communities in which we trade, on an ongoing basis. Our talented retail teams act within and reflect our core vision and values on a daily basis in engaging with our customers. Key elements of this are fed back to the central team to act upon weekly and monthly as necessary. We also seek to use our social media channels as an immediate and direct method to share our values. We take a responsible and considered approach in articulating socially pertinent and sensitive matters, Diversity and Inclusivity amongst others. We reflect our belief that our loyal customers and our new customers are at the absolute heart of our business and we aim to put them at the centre of each of our brands. More formally, we periodically engage with our customers and undertake surveys on a specific subject matter. This provides invaluable insight and data, that allows us to shape our future customer proposition.

The impact of operations on the community

The Group is committed to supporting the community and making a lasting positive impact. The Group has long standing relationships with a number of charities that resonate with our business and customers and engages in a number of activities to support these, financially and otherwise. Furthermore, the Group encourages each of its employees to take a paid day to carry out charitable work, either of their own choice or one facilitated by the Group. The Group delivers awareness talks on a regular basis to increase our employees' knowledge and appreciation of various communities and how to best support these. The Group partners with the EY Foundation to support underprivileged secondary school students with mentoring, work experience and employability skills. The Group offers regular work experience and internship opportunities to students also outside of the EY Foundation partnership. We partner with a variety of focussed external partners to attract candidates that may not have considered a career with us.

The desirability of maintaining high standards of business conduct and values

The Group's purpose is to help our colleagues and customers achieve their aspirations whilst being guided by sustainability and social conscience. Our strategy and underpinned by strong Corporate Social Responsibility principles, Inclusion and Diversity commitments and Group values. The Group strives for quality in everything we do and continuous improvement and innovation. We are committed to building strong and long-lasting relationships with our customers and suppliers based on trust and integrity. The Group operates by respecting the local laws and adhering to good corporate governance practices. The Group maintains high standards in accounting and reporting and operates enhanced policies to support anti-corruption practices. Furthermore, the Group is committed to respect of human rights to help end modern slavery and the use of forced labour, including the exploitation of children in the workplace. The group proactively works on responsible sourcing of our fabrics and garments and engages partners and suppliers who share our values and ethical commitments. The Group is also a member of the Better Cotton Initiative.

TFG Brands (London) Limited

Strategic Report (continued)

The need to act fairly between members of the Group

Our senior leaders are expected to act in good faith and in the best interests of the Group with honesty and integrity. Specific Code of Conduct applies to all employees and any breaches are dealt with under the relevant Group procedures. Any conflict of interest must be declared and is reviewed on an annual basis. The Board meets regularly to deliberate on the Group matters and decide on the best course of action that protects the interests of the Group as a whole and its reputation, its stakeholders, employees, partners and customers. Where relevant the Group refers its matters to the parent company and its advisors before taking a final decision.

Future developments

TFG London exists to provide a high quality product offering to its new and existing customers through its brands. Our greatest strength lies in our ability to keep this offer relevant and competitive in the ever changing market place. We have an experienced and talented team who work with focus, resilience and pace to deliver distinctive brand outputs, and who are supported by a strong central team and a parent company who is supportive.

Looking ahead to this year we remain cautious in our outlook noting the uncertainty in market conditions and high inflation and rising interest rates that continues to impact consumer sentiment. As we ensure we are best positioned for the future economic recovery, we plan to further enhance our store estate and grow in our international markets, whilst maintaining our focus on efficiency initiatives across the business.

To our customers, suppliers and other stakeholders – we'd like to extend our sincere thanks for your continued support and collaboration.

Approved by the Board and signed on its behalf by:

M Wilson

Director

Date: 19/7/23

55 Kimber Road

London
United Kingdom
SW18 4NX

TFG Brands (London) Limited

Directors' report

The Directors present their annual report on the affairs of TFG Brands (London) Limited ("TFG London" or 'the Group'), together with the financial statements and auditor's report, for the 52 week period ended 25 March 2023 (hereafter referred to as "year ended 25 March 2023"). The comparative period represents the 52-week period ended 26 March 2022 (hereafter referred to as "year ended 26 March 2022").

Review of the business and future developments, Key Performance Indicators, Principal risks and uncertainties are not shown within the Directors' report as they are instead included with the strategic report on page 3, under S414C (11) of the Companies Act 2006. Intercompany amounts owed to Parent have also moved to non-current liabilities.

Events after the balance sheet date

Post year end the company has exercised the option to acquire the remaining shareholding of Phase Eight (Hong Kong) Limited, Phase Eight (Macau) Limited, Hobbs (Hong Kong) Limited and Whistles (Hong Kong) Limited. The estimated cost of acquisition is approximately £2m. Post year end the revolving credit facility has been extended for another year with the facility expiring in February 2025.

Financial risk management objectives and policies

The Group's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the Group's policies approved by the board of Directors, which provide written principles on the use of financial derivatives to manage these risks. The Group does not use derivative financial instruments for speculative purposes.

Cash flow risk
The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group uses foreign exchange forward contracts from time to time to hedge these exposures. The majority of interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk
The Group's principal financial assets are bank balances and cash, trade and other receivables.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables, which are assessed under IFRS 9 taking into account expected credit losses.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Liquidity risk
In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Group uses a mixture of long-term and short-term debt finance. During the financial year, the Group took considerable steps to ensure sufficient liquidity by doing cash flow forecasting, monitoring expenditures and managing receivables. The Group also actively engages with all relevant stakeholders during the financial year.

Dividends

The Directors have not recommended the payment of a final dividend for the year ended 25 March 2023 (2022: £nil) and no dividend was paid or declared during the year (2022: £nil).

Directors' report (continued)

Going concern

The financial statements have been prepared on a going concern basis which assumes that the group will continue in operational existence for the foreseeable future being a period of at least twelve months from the date of signing this report. The directors consider that it is appropriate to prepare the accounts on a going concern basis based on the cash flow projections they have prepared and their assessment of borrowing facilities available at group level (TFG Brands (London) Limited as the parent company for the UK group) as well as support from the ultimate parent (The Foschini Group Limited).

UK group management has prepared a detailed forecast to cover the 12 month period of trading from the signing date of these financial statements. As at the balance sheet date, the current revolving credit facility with the banks expires in February 2024. As at the signing date of these accounts, the group has extended the facility for another 12 months expiring February 2025. Given the level of cash within the TFG London Group (including the immediate parent company) as at the year end of £98.6m (2022: £93.7m) and based on updated cashflow forecasts including various scenarios, it believes that cash flows from operations and on-hand cash and cash equivalents provide adequate funds to support the operations for at least 12 months from the date of signing these accounts.

While expecting that the UK group headed by TFG Brands (London) Limited will be able to continue trading independently, the directors have also obtained a letter of support from the ultimate parent company The Foschini Group Limited. The letter of support confirms that the Foschini Group Limited will continue to provide financial and other support to the UK group to the extent necessary to enable it to continue in its business and meet its financial obligations as they fall due in the normal course of business for at least 12 months from the date of approval of the financial statements for the year ended 25 March 2023. The directors have taken all necessary steps to assure themselves of both the ability and intention of the parent company to provide the support offered for the full going concern period and have given due consideration to the potential uncertainties arising from relying upon the support of another company.

As a consequence, the directors believe the company is well placed to manage its business risks successfully and meet liabilities as they fall due despite the uncertain economic outlook and consider it appropriate to prepare the financial statements on the going concern basis.

Directors

The Directors, who served throughout the year and to the date of this report, except as noted, were as follows:

A Murray
A Thunström
J Hampshire
S Baird
B Ntuli
A Didymiotis (Resigned 9 May 2023)
M Wilson (Appointed 24 April 2023)

Director's indemnities

The Group has made qualifying third-party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report.

Directors' report (continued)

Political contributions

There were no political donations made during the year (2022: £nil).

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees. Over the last year we have become a Disability Confident L1 accredited employer and we have also delivered awareness sessions to all employees to increase understanding of different types of disability and how to support individuals with a disability.

Employee consultation

The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through formal and informal meetings, monthly business updates and regular presentations by senior management around key projects. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

In addition, the company operates an annual bonus scheme for staff related to the overall profitability of the company. The engagement with employees is discussed in more detail in S172 disclosure within the strategic report.

Auditor

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Group's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board and signed on its behalf by:

M Wilson

Director

Date: 19 July 2023
55 Kimber Road
London
United Kingdom
SW18 4NX

TFG Brands (London) Limited

Directors' responsibilities statement

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 the Directors have elected to prepare the Group financial statements in accordance with United Kingdom adopted international accounting standards in conformity with the requirements of the Companies Act 2006. The financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB). The directors have chosen to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework".

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing the parent company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

In preparing the Group financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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 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.

Independent auditor's report to the members of TFG Brands (London) Limited (continued)

Report on the audit of the financial statements

Opinion
In our opinion:
- the financial statements of TFG Brands (London) Limited (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 25 March 2023 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework" and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:
- the consolidated statement of profit or loss;
- the consolidated statement of comprehensive income;
- the consolidated statement of financial position;
- the consolidated statement of changes in equity;
- the consolidated statement of cash flows;
- the related notes 1 to 33;
- the parent company balance sheet;
- the parent company statement of changes in equity; and
- the related notes 1 to 16.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law, United Kingdom adopted international accounting standards and IFRSs as issued by the IASB. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework"(United Kingdom Generally Accepted Accounting Practice).

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Independent auditor's report to the members of TFG Brands (London) Limited (continued)

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

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

Other information
The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

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

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

Auditor's 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 auditor's 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 auditor's* report.

Independent auditor's report to the members of TFG Brands (London) Limited (continued)

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

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the group's business sector.

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included but were not limited to UK Companies Act and VAT and corporation tax laws and regulations; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included but were not limited to Sale of Goods Act and consumer protection laws, Health and Safety at Work Act and UK General Data Protection Regulation.

We discussed among the audit engagement team and relevant internal specialists such as tax and valuations specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our procedures performed to address them are described below:

- Impairment of assets (goodwill, other intangible assets, property, plant and equipment and right-of-use assets): The calculation of value-in-use when assessing the above mentioned assets for impairment includes assumptions requiring significant management judgement, specifically short term assumptions related to sales and margins, long term growth rates and discount rates. In response our audit procedures included the following: i) challenging the key inputs and assumptions used in the model and assessing their reasonableness; and ii) involving valuation specialists to develop independent estimates of the pre-tax discount rates.

- Provisioning for aged or obsolete stock: The assessment of the provisioning against aged or obsolete stock requires significant levels of management judgement with the consideration of numerous trading assumptions. Our procedures focused on i) assessing the methodology used to determine the provision for aged or obsolete stock; ii) a review and challenge of the point at which management will fully provide against inventory by reference to industry practice and market data; iii) analysis of the amounts of inventory that are expected to become fully provided based on historic and projected sell-through rates; and iv) assessment of recent transactions and other movements in inventory from older seasons.

- Revenue recognition: Manual journal entries to revenue. In response our audit procedures included assessing the population and testing a sample of manual journals impacting revenue to ensure that there was an appropriate business rationale for these journals and that they were supported by appropriate audit evidence.

Independent auditor's report to the members of TFG Brands (London) Limited (continued)

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

We have nothing to report in respect of these matters.

Independent auditor's report to the members of TFG Brands (London) Limited (continued)

Use of our report
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.

Darren Longley FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
Date: 19 July 2023

TFG Brands (London) Limited

Consolidated statement of profit or loss

For the year ended 25 March 2023

	Note	25/03/2023 £'000	26/03/2022 £'000
Revenue	5	337,708	310,041
Cost of sales		(112,482)	(109,259)
Gross profit		225,226	200,782
Other operating income		207	3,701
Distribution costs		(149,072)	(138,031)
Administrative expenses		(48,263)	(46,456)
Share of loss of joint venture	9	-	(93)
Operating profit		28,098	19,903
Finance income	8	60	156
Other gains and losses	9	(347)	2,818
Finance costs	10	(21,603)	(19,906)
Profit before tax		6,208	2,971
Income tax	11	(2,748)	(3,031)
Profit / (Loss) for the year attributable to owners of the Group	26	3,460	(60)

TFG Brands (London) Limited

Consolidated statement of comprehensive income

For the year ended 25 March 2023

	25/03/2023 £'000	26/03/2022 £'000
Profit / (Loss) for the year	3,460	(60)
Items that may be reclassified subsequently to profit or loss:		
Foreign exchange differences on translation of foreign operations	(493)	253
Other comprehensive (expense) /income for the year, net of income tax	(493)	253
Total comprehensive income	2,967	193

TFG Brands (London) Limited

Consolidated statement of financial position

As at 25 March 2023

	Note	25/03/2023 £'000	26/03/2022 Restated* £'000	27/03/2021 £'000
Non-current assets				
Goodwill	12	65,638	65,638	65,638
Other intangible assets	13	40,788	41,352	41,688
Property, plant and equipment	14	13,168	10,221	12,267
Right-of-use assets	17	18,563	21,073	29,324
Deferred tax asset	20	6,942	6,770	5,723
Interests in joint ventures	15	-	-	135
		145,099	145,054	154,775
Current assets				
Inventories	16	57,153	35,992	58,386
Trade and other receivables	18	19,099	18,109	12,488
Cash and bank balances		78,516	93,712	29,098
		154,768	147,813	99,972
Total assets		299,867	292,867	254,747
Current liabilities				
Trade and other payables	22	(73,481)	(73,536)	(54,749)
Loans and borrowings	19	(165,049)	(161,419)	(87,199)
Lease liabilities	21	(10,430)	(11,934)	(16,448)
Provisions	23	(8,777)	(10,926)	(4,985)
		(257,737)	(257,815)	(163,381)
Net current liabilities		(102,969)	(110,002)	(63,409)
Non-current liabilities				
Loans and borrowings	19	(242,084)	(230,554)	(276,493)
Provisions	23	(3,330)	(5,811)	(3,621)
Lease liabilities	21	(15,224)	(18,528)	(28,359)
Other non-current liabilities	22	-	(1,634)	(4,561)
		(260,638)	(256,527)	(313,034)
Total liabilities		(518,375)	(514,342)	(476,415)
Net liabilities		(218,508)	(221,475)	(221,668)

TFG Brands (London) Limited

Consolidated statement of financial position

As at 25 March 2023

Equity	Note	25/03/2023 £'000	26/03/2022 *Restated £'000	27/03/2021 £'000
Share capital	24	21	21	21
Share premium account	25	1,774	1,774	1,774
Other reserves	25	-	(3,775)	(3,775)
Retained earnings	26	(220,303)	(219,495)	(219,688)
Total equity		(218,508)	(221,475)	(221,668)

* Comparative information has been restated to show bank loan and intergroup balances due within one year (note 33).

The financial statements of TFG Brands (London) Limited (registered number 09379971) were approved by the board of Directors and authorised for issue on 19 July 2023.

They were signed on its behalf by:

M Wilson

Director

Date: 19/7/23

TFG Brands (London) Limited

Consolidated statement of changes in equity

For the year ended 25 March 2023

	Equity attributable to equity holders of the parent					
	Share capital	Share premium account	Other reserves	Foreign exchange translation reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 27 March 2021 – restated*	21	1,774	(3,775)	(1,244)	(218,444)	(221,668)
Loss for the year (note 26)	-	-	-	-	(60)	(60)
Other comprehensive income for the year	-	-	-	253	-	253
Total comprehensive income for the year	-	-	-	253	(60)	193
Balance at 26 March 2022	21	1,774	(3,775)	(991)	(218,504)	(221,475)
Profit for the year (note 26)	-	-	-	-	3,460	3,460
Other comprehensive income for the year	-	-	-	(493)	-	(493)
Transfer of other reserve to retained earnings			3,775		(3,775)	-
Total comprehensive income for the year	-	-	3,775	(493)	(315)	2,967
Balance at 25 March 2023	21	1,774	-	(1,484)	(218,819)	(218,538)

TFG Brands (London) Limited

Consolidated statement of cash flows
For the year ended 25 March 2023

	25/03/2023 £'000	26/03/2022 £'000
Profit/(Loss) for the year	3,460	(60)
Adjustments for:		
Finance income	(60)	(156)
Other gains and losses	347	(2,725)
Finance costs	21,603	19,906
Income tax expense	2,748	3,031
Depreciation of property, plant and equipment	3,146	4,051
Impairment reversal on property, plant and equipment	(1,590)	(2,067)
Depreciation of right-of-use assets	9,764	9,975
Impairment loss on right-of-use assets	794	1,772
Amortisation of intangible assets	551	630
Bank deal fees	127	-
Loss on disposal of property, plant and equipment	1,340	2,375
Gain on disposal of right-of-use asset	(472)	(2,107)
(Decrease)/increase in provisions	(4,630)	8,131
Operating cash flows before movements in working capital	37,128	42,756
(Increase)/decrease in inventories	(21,161)	22,394
Increase in trade and other receivables	(990)	(5,123)
Decrease/(increase) in trade and other payables	706	15,247
Cash generated by operations	**15,683**	**75,274**
Income taxes paid	(5,519)	(275)
Net cash from operating activities	**10,164**	**74,999**

TFG Brands (London) Limited

Consolidated statement of cash flows

For the year ended 25 March 2023

Investing activities

	25/03/2023 £'000	26/03/2022 £'000
Interest received	-	4
Purchases of property, plant and equipment	(5,844)	(2,605)
Net cash used in investing activities	(5,844)	(2,601)
Financing activities		
Interest paid	(2,600)	(2,030)
Drawdown of shareholder's loan	-	14,882
Repayment of bank loan	(2,500)	(2,500)
Repayment of lease liabilities	(14,506)	(17,898)
Net cash used in financing activities	(19,606)	(7,546)
Net (decrease)/increase in cash and cash equivalents	(15,286)	64,852
Cash and cash equivalents at beginning of year	93,712	29,098
Effect of foreign exchange rate changes	90	(238)
Cash and cash equivalents at end of year	78,516	93,712

TFG Brands (London) Limited

Notes to the consolidated financial statements

For the year ended 25 March 2023

1. General information

TFG Brands (London) Limited (the "Company") is a private company limited by shares which is incorporated, domiciled and registered in England in the United Kingdom. The address of the Company's registered office is shown on page 1. The financial statements are prepared on the historical cost basis except for the revaluation of certain financial instruments that are measured at revalued amounts or fair values at the end of each reporting year.

The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group"). The parent company financial statements present information about the Company as a separate entity and not about its Group.

The Group financial statements have been prepared and approved by the Directors in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board (IASB). The Company has elected to prepare its parent company financial statements in accordance with FRS 101 on pages 82 to 104. The presentation currency of these financial statements is pound sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The principal activities of the Company and its subsidiaries (together 'the Group') and the nature of the Group's operations are set out in the strategic report. For the year ending 25 March 2023 the Company has guaranteed the liabilities of the following subsidiaries in order for them to qualify for the exemption from audit under s479A of the Companies Act 2006:

Subsidiary Name	Companies House Registration Number
Dress Holdco C Limited	09380036
Dress Holdco 4 Limited	09365004
Poppy Holdco Limited	07474419
Cameron Topco Limited	07211380
Whistles Holdings Limited	06473609
Whistles Acquisitions Limited	06473583
WHDL Limited	08415775
WHNL Limited	08953512
Phase Eight (Germany) Limited	08118652
Phase Eight (Sweden) Limited	08118645
Phase Eight (Deutschland) Limited	08517243
Phase Eight (SE Asia) LTD	08645675
Phase Eight (Belgium) Limited	08710284

Subsidiary Name	Companies House Registration Number
Phase Eight (Canada) Limited	08790650
Phase Eight (Norway) Limited	08894558
Phase Eight (International) Limited	09008364
Phase Eight (Japan) Limited	09671584
Phase Eight (UAE) Limited	08260882
Patsy Seddon Limited	03092483
Hobbs Fashion Holdings Limited	07299448
Hobbs Holdings No.2 Limited	05266446
Hobbs Holdings No.4 Limited	05270891
Hobbs (Middle East) Limited	11101547
Inhoco 2756 Limited	04585764
TFG London (Concessions) Limited	08876595
TFG Homeware Limited	14361281

2. Adoption of new and revised Standards

New and amended IFRS Standards that are effective for the current year

In the current year, the company has also applied following amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (the Board) that are effective for an annual year that begins on or after 1 January 2022 and their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)
Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)
Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)
Annual Improvements to IFRS Standards 2018–2020

Following are the amendments to standards not effective yet:

Classification of liabilities as current or non-current (IAS 1)
Disclosure of accounting policies (IAS 1)
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (IAS 12)
Definition of accounting estimates (IAS 8)
Initial Application of IFRS 9 — Comparative Information (IFRS 9)
International Tax Reform — Pillar Two Model Rules (IAS 12)
Lease Liability in a Sale and Leaseback (IFRS 16)
Supplier Finance Arrangements (IAS 7 and IFRS 7)
Non-current Liabilities with Covenants (IAS 1)

3. Significant accounting policies

Basis of accounting

The group financial statements have been prepared and approved by the Directors in accordance with United Kingdom adopted international accounting standards and with International Financial Reporting Standards as issued by the IASB.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

The principal accounting policies adopted are set out below.

Going concern

The financial statements have been prepared on a going concern basis which assumes that the group will continue in operational existence for the foreseeable future being a period of at least twelve months from the date of signing this report. The directors consider that it is appropriate to prepare the accounts on a going concern basis based on the cash flow projections they have prepared and their assessment of borrowing facilities available at group level (TFG Brands (London) Limited as the parent company for the UK group) as well as support from the ultimate parent (The Foschini Group Limited).

UK group management has prepared a detailed forecast to cover the 12 month period of trading from the signing date of these financial statements. As at the balance sheet date, the current revolving credit facility with the banks expires in February 2024. As at the signing date of these accounts, the group has extended the facility for another 12 months expiring February 2025. Given the level of cash within the TFG London Group (including the immediate parent company) as at the year end of £98.6m (2022: £93.7m) and based on updated cashflow forecasts including various scenarios, it believes that cash flows from operations and on-hand cash and cash equivalents provide adequate funds to support the operations for at least 12 months from the date of signing these accounts.

While expecting that the UK group headed by TFG Brands (London) Limited will be able to continue trading independently, the directors have also obtained a letter of support from the ultimate parent company The Foschini Group Limited. The letter of support confirms that the Foschini Group Limited will continue to provide financial and other support to the UK group to the extent necessary to enable it to continue in its business and meet its financial obligations as they fall due in the normal course of business for at least 12 months from the date of approval of the financial statements for the year ended 25 March 2023. The directors have taken all necessary steps to assure themselves of both the ability and intention of the parent company to provide the support offered for the full going concern period and have given due consideration to the potential uncertainties arising from relying upon the support of another company.

3. Significant accounting policies (continued)

Going concern (continued)
As a consequence, the directors believe the company is well placed to manage its business risks successfully and meet liabilities as they fall due despite the uncertain economic outlook and consider it appropriate to prepare the financial statements on the going concern basis.

Basis of consolidation
The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to final trading week of March. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Business combinations
Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

3. Significant accounting policies (continued)

Business combinations (continued)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 and IAS 19 respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date (see below); and

- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held interests (including joint operations) in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable IFRS Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

Goodwill

Goodwill is initially recognised and measured as set out above.

TFG Brands (London) Limited

Notes to the consolidated financial statements

For the year ended 25 March 2023

3. Significant accounting policies (continued)

Goodwill (continued)

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these financial statements using the equity method of accounting.

Under the equity method, an investment in an associate or a joint venture is recognised initially in the consolidated statement of financial position at cost and adjusted thereafter to recognised the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognised its share of further losses.

Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment.

3. Significant accounting policies (continued)

Investments in associates and joint ventures (continued)

Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture. When the Group retains an interest in the former associate or a joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate or a joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or a joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate or joint venture is disposed of.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

The Group applies IFRS 9, including the impairment requirements, to long-term interests in an associate or joint venture to which the equity method is not applied and which form part of the net investment in the investee. Furthermore, in applying IFRS 9 to long-term interests, the Group does not take into account adjustments to their carrying amount required by IAS 28 (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with IAS 28).

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

The Group recognises revenue under IFRS 15. This standard applies specific rules whereby the timing of cash payments specified in a contract are different to the transfer of control of the related goods to the customer. Revenue is recognised based on the satisfaction of performance obligations, which occurs when control of goods transfers to a customer. The performance obligation is considered to be satisfied when:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods, which is on dispatch for online sales and when the transaction is processed through the till for stores and concession purchases;

3. Significant accounting policies (continued)

- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

Given the sale of goods gives rise to single performance obligation customer returns are estimated and deducted from the consideration received at the time of fulfilment of the sole performance obligation.

Gift Cards

Sales of gift cards are treated as future liabilities, and revenue is recognised when the gift cards are redeemed against a later transaction.

Dividend and interest revenue

Dividend income from investments recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably).

Interest income is recognised when it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets up to £5,000 (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments, less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

3. Significant accounting policies (continued)

Leases (continued)

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

Right-of-use assets are depreciated over the shorter of lease term and useful life of the underlying asset. The Group determines the lease term as the non-cancellable period of a lease, together with assessing if the lessee is reasonably certain to exercise an option to extend or terminate the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other operating expenses" in profit or loss.

Foreign currencies

In preparing the financial statements of the Group entities, the transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the year in which they arise except for exchange differences on transactions entered into to hedge certain foreign currency risks (see below under financial instruments).

3. Significant accounting policies (continued)

Foreign currencies (continued)

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used.

Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve (attributed to non-controlling interests as appropriate).

Retirement and termination benefit costs

In accordance with IAS 19 (Revised 2011), the company recognised a cost equal to its contribution payable for the period, which is presented within Administrative Expenses in the Statement of Profit or Loss. Payments made to state-managed retirement schemes are charged as an expense as they fall due.

Short-term and other long-term employee benefits

A liability recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

Taxation

The income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that

3. Significant accounting policies (continued)

Taxation (continued)

it is probable that taxable profits will be available against which deductible temporary differences can be recognised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to recognise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is recognised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property, plant and equipment

Plant, machinery, fixtures and fittings are stated at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method, on the following bases:

Computer equipment	3 years
Fixtures and fittings	3 – 7 years

3. Significant accounting policies (continued)

Property, plant and equipment (continued)

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset.

An item of property, plant and equipment is recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives, on the following basis:

Computer Software	3 years

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Brands and trademarks

Brands and trademarks are measured initially at purchase cost and are amortised on a straight-line basis over 10 years unless the asset is believed to have an indefinite life, in which case it is carried at cost and tested for impairment at each year end.

Impairment of property, plant and equipment and intangible assets excluding goodwill

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any).

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication at the end of a reporting period that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying

3. Significant accounting policies (continued)

amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years.

Inventories

Inventories are stated at the lower of cost and net recognised value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method. Net recognised value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. The net realizable value of stock has been presented after making provisions for stock take loss and stock obsolescence.

Financial instruments

Financial assets and financial liabilities are recognised in the company's balance sheet when the company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified as 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets are classified based on the business model within which the asset is held and the contractual cash flow characteristics of such assets. There are three principal classification categories for financial assets that are debt instruments: (i) amortised cost, (ii) fair value through other comprehensive income (FVTOCI) and (iii) fair value through profit or loss (FVTPL). Equity instruments are measured at fair value with gains and losses recognised in profit or loss unless an irrevocable election is made to recognise gains or losses in other comprehensive income.

Loans and receivables

Trade debtors, loans, and other debtors that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. Impairments in terms of IFRS 9 are determined based on the expected credit loss (ECL) model, as opposed to an incurred loss model applied in terms of IAS 39. The ECL model applies to all financial assets measured at amortised costs. The calculation of the ECL incorporates forward-looking information.

3. Significant accounting policies (continued)

Financial instruments (continued)

This forward-looking view includes:

• Information based on expected future macro-economic conditions;
• Potential impacts based on industry specific challenges, including but not limited to potential legislative changes; and
• Expert management judgement.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the company retains an option to repurchase part of a transferred asset), the company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer.

3. Significant accounting policies (continued)

Financial instruments (continued)

The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss.

A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as 'other financial liabilities'.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire.

Derivative financial instruments

The company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss immediately.

3. Significant accounting policies (continued)

Capital Management

The Group's capital structure primarily consists of equity, short and long term finance. The primary objective of the Group's management of equity is to ensure that it is able to finance the Group's activities, both now and in the future. To maintain an appropriate capital structure in order to meet this objective, the Group may issue further shares to its parent, make use of external financing or parental support as required or adjust its dividend policy. Details of capital held can be seen in the consolidated statement of financial position.

Acquisitions of non-controlling interests

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a current asset due after one year or a creditor due after more than one year if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Where a minority or 50% shareholder in a Group subsidiary has the right to require the Group to acquire its shareholding in the subsidiary undertaking, whether through a put/call option agreement or otherwise, the Group records a financial liability in respect of this obligation. This recognition occurs when the related agreement is signed.

Where the put/call option is exercised, or the acquisition otherwise completed, the amount paid by the Group will be recognised as a reduction in the liability.

The estimated fair value of this liability is recognised within the profit and loss account to the extent that the purchase date and consideration payable are known, or directly within other reserves where this has not yet been determined. Movements in the fair value of the liability are recognised in a similar manner. Any amounts that were already recognised directly within other reserves are reclassified into retained earnings at the point at which the purchase date and consideration payable become certain.

Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Government grants

Amounts relating to government grants are recognised in the Income Statement over the periods in which the Group recognised as expenses the related costs for which the grants are intended to compensate and when all conditions have been met. Government grants relating to furlough income and property grants have been presented as a deduction against wages and salaries and property costs within distribution and admin expenses.

3. Significant accounting policies (continued)

Restoration provisions

Provisions for the costs to restore leased plant assets to their original condition, as required by the terms and conditions of the lease, are recognised when the obligation is incurred, either at the commencement date or as a consequence of having used the underlying asset during a particular period of the lease, at the Directors' best estimate of the expenditure that would be required to restore the assets. Estimates are regularly reviewed and adjusted as appropriate for new circumstances.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, which are described in note 3, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make 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 Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Determining lease term for lease accounting

In determining the lease term in note 17, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Most extension options for retail store leases have not been included in the initial calculation of lease liability, because in the retail and economic environment, it is difficult to judge whether a store will be profitable enough to utilise the extension option.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

4. Critical accounting judgements and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Provision for stock

In line with most retailers stock is not physically counted at each location at the year end but periodic stock counts are carried out throughout the year, a 6%-9% stock loss provision has been made based on average stock loss over the current and preceding two years.

Inventory is aged by season and the provisions are calculated based on inventory aging, historical sales performance and future sales forecast impacting sell through rate of inventory. The provision for old stock was provided for between 10-100% dependent on stock seasonality (2022: 10%-100%).

The effective rate of stock provision as at the year-end was 39.3% (see note 16) which is a combination of stock loss provision and old stock provision. Any changes in the factors discussed above would result in a change in the effective rate of stock provision. Indicatively, a ±1% change in the effective rate of stock provision would move the provision by ±£0.9m.

5. Revenue

The Group derives its revenue from sale of goods either in-store or through the online channel.

	25/03/2023	26/03/2022
	£'000	£'000
Disaggregation of revenue		
Sale of goods – in-store sales	197,248	172,162
Sale of goods – internet customers	140,460	137,879
Total	337,708	310,041

Notes to the consolidated financial statements

For the year ended 25 March 2023

5. Revenue (continued)

Geographical information

The Group's revenue from and information about its segment assets (non-current assets excluding financial instruments, deferred tax assets and other financial assets) by geographical location are detailed below:

	Revenue from external customers		Non-current assets	
	25/03/2023	**26/03/2022**	**25/03/2023**	**26/03/2022**
	£'000	**£'000**	**£'000**	**£'000**
United Kingdom and Ireland	293,047	274,144	136,619	136,412
Rest of Europe	19,885	16,786	1,329	1,872
Asia and Australia	7,194	5,692	15	-
North America	17,582	13,419	194	-
	337,708	310,041	138,157	138,284

Notes to the consolidated financial statements

For the year ended 25 March 2023

6. Profit / (Loss) for the year

Profit / (Loss) for the year has been arrived at after charging/(crediting):

	25/03/2023	26/03/2022
	£'000	£'000
Net foreign exchange loss	649	155
Government grants	(2)	(3,993)
Depreciation of property, plant and equipment (note 14)	3,146	4,051
Impairment reversal of property, plant and equipment (note 14)	(1,590)	(2,067)
Loss on disposal of property, plant and equipment	1,340	2,375
Depreciation of right-of-use assets (note 17)	9,764	9,975
Impairment of right-of-use assets (note 17)	794	1,772
Gain on disposal of right-of-use assets	(472)	(2,107)
Impairment of intangible assets (note 13)	13	69
Amortisation of intangible assets (note 13)	551	630
Cost of inventories recognised as expense	99,903	107,154
Write downs of inventories recognised as an expense	12,578	2,105
Other employee matters provision (release)/charge	(2,749)	2,282
Movement in loss allowance on trade receivables (note 18)	403	1,884
Impairment of investments (note 9)	-	42
Other gains (note 9)	(347)	(2,767)

Auditor's remuneration

The analysis of the auditor's remuneration is as follows:

	25/03/2023	26/03/2022
	£'000	£'000
Fees payable to the company's auditor and their associates for the audit of the company's annual accounts		
- Audit of parent company	45	20
- Audit of subsidiaries	345	314
	390	334

TFG Brands (London) Limited

Notes to the consolidated financial statements

For the year ended 25 March 2023

6. Loss for the year (continued)

Fees payable to the company's auditor and their associates for other services to the Group	**25/03/2023 £'000**	**26/03/2022 £'000**
- Audit-related assurance services	10	10
- Tax and consultancy services	-	3

Adjusted earnings before interest, tax, depreciation and recognised ("Adjusted EBITDA")

The Directors use adjusted profitability measures to judge the profitability of the group in order to provide them with a consistent basis of comparison of the group's results on a year-on-year basis. Adjusted profit measures are considered to be those that are directly linked to trading activities to provide the reader of the accounts with a fuller understanding of the financial performance of the group. During the years under review, "Adjusted Measures" relate to Adjusted EBITDA. Adjusted EBITDA is calculated as follows:

	25/03/2023	**26/03/2022**
	£'000	**£'000**
Profit / (Loss) after tax for the year	3,460	(60)
Tax on loss on ordinary activities (note 11)	2,748	3,031
Finance income (note 8)	(60)	(156)
Finance expense (note 10)	21,603	19,906
Depreciation of property, plant and equipment (note 14)	3,146	4,051
Loss on disposal of property, plant and equipment (note 14)	1,340	2,375
Amortisation of intangibles (note 13)	551	630
Impairment reversal of tangible fixed assets (note 14)	(1,590)	(2,067)
Depreciation of right-of-use assets (note 17)	9,764	9,975
Impairment of right-of-use assets (note 17)	794	1,772
Gain on disposal of right-of-use asset	(472)	(2,107)
Loss on disposal of intangible assets	13	-
Impairment of intangible assets	-	69
Other employee matters (release)/charge	(2,749)	2,282
Other gains (note 9)	347	(2,860)
Adjusted EBITDA	38,895	36,841

TFG Brands (London) Limited

Notes to the consolidated financial statements

For the year ended 25 March 2023

6. Loss for the year (continued)

Government grants

The analysis of the government grants is as follows:

	25/03/2023	26/03/2022
	£'000	£'000
Government grants recognised in the income statement	2	3,993
	2	3,993

Government grants recognised relate to amounts received for the Coronavirus Job Retention Scheme of £nil (2022: £1,030,000) and other property related grants received of £2,000 (2022: £2,963,000). These costs have been presented as a deduction against the expenses within admin and distribution costs.

7. Staff costs

The average monthly number of employees (including executive Directors) was:

	25/03/2023	26/03/2022
	Number	Number
Selling and distribution	931	921
Admin	415	444
	1,346	1,365

Their aggregate remuneration comprised:

	25/03/2023	26/03/2022
	£'000	£'000
Wages and salaries	48,130	45,616
Social security costs	4,247	3,542
Other pension costs (see note 27)	1,226	985
Employment benefit charges	1,970	2,784
Redundancy costs	103	18
	55,676	52,945

Notes to the consolidated financial statements

For the year ended 25 March 2023

7. Staff costs (continued)

Directors' remuneration

The Directors' remuneration, analysed under the headings required by company law is set out below:

	25/03/2023 £'000	26/03/2022 £'000
Emoluments	1,309	1,141
Company contributions to money purchase pension schemes	12	42
	1,321	1,183

	Number	Number
The number of Directors who:		
Are members of a money purchase pension scheme	2	4

	25/03/2023 £'000	26/03/2022 £'000
Remuneration of the highest paid Director:		
Emoluments	968	641
Company contributions to money purchase pension schemes	10	12
	978	653

Only directors are considered to be key management personnel within the group. Directors' remuneration is presented based on services provided to the company and its subsidiaries.

These emoluments were borne by the company.

During the year, two Directors of the company were remunerated through TFG Brands (London) Limited for services to the company and wider Group (2022: five).

8. Finance income

	25/03/2023 £'000	26/03/2022 £'000
Interest income		
Financial instruments measured at amortised cost:		
Bank deposits	60	156
	60	156

Notes to the consolidated financial statements

For the year ended 25 March 2023

9. Other gains and losses

	2023 £'000	2022 £'000
Impairment of investment	-	(42)
Shares of loss from joint ventures (see note 15)	-	(93)
Change in fair value of put option	347	2,860
	347	2,725

The net gain arising on financial liabilities measured at FVTPL relates to a put option liability to buy out the 50% stake in Hong Kong joint venture. There was a change in the fair value of the option of £347,000 in the year (2022: £2,860,000).

10. Finance costs

	2023 £'000	2022 £'000
Interest on bank overdrafts and loans	2,655	1,470
Interest on preference shares	11,537	10,855
Interest payable to parent company	5,888	5,498
Interest on lease liabilities	1,486	2,011
Other interest	37	72
	21,603	19,906

TFG Brands (London) Limited

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For the year ended 25 March 2023

11. Income tax

	25/03/2023	26/03/2022
	£'000	£'000
Corporation income tax:		
Current year	2,337	3,750
Foreign taxation	614	313
Adjustments in respect of prior years	91	15
	3,042	4,078
Deferred tax (see note 20)		
Origination and reversal of temporary differences	1,388	173
Adjustments in respect of prior years	(56)	(852)
Effect of changes in tax rates	(1,626)	(368)
	(294)	(1,047)
Total tax expense	2,748	3,031

The standard rate of corporation tax applied to reported profit is 19% (2022: 19%). The March 2021 Budget announced a further increase to the main rate of corporation tax to 25% from April 2023. Deferred taxes have now been recalculated at the future rate wherever applicable. The charge for the year can be reconciled to the profit before tax as follows:

	25/03/2023	26/03/2022
	£'000	£'000
Profit before tax on continuing operations	6,208	2,971
Tax at UK standard rate of 19% (2022: 19%)	1,180	564
Tax effect of expenses that are not deductible	3,366	3,094
Deferred tax not recognised	233	52
Prior year adjustment – corporation tax	91	89
Prior year adjustment – deferred tax	(56)	(852)
Effect of changes in tax rates	(1,626)	(368)
Tax losses carried back	(643)	-
Foreign tax credits	(172)	(64)
Higher overseas tax rates	433	94
Non taxable income	(690)	-
Other movement	141	23
Non qualifying fixed assets	158	120
Group relief surrendered	333	279
Total tax expense	2,748	3,031

11. Income tax (continued)

No tax has been recognised within other comprehensive income within current or the prior year.

12. Goodwill

	£'000
Cost	
At 26 March 2022	65,638
Accumulated impairment losses	
25 March 2023	-
Carrying amount	
25 March 2023	65,638

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

The recoverable amount of the cash-generating units is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the Directors covering a five-year period and then a perpetuity is assumed based on year five. Goodwill is allocated to groups of cash-generating unites and is monitored for impairment at group level.

The Group has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount. We look at our long-term sustainable growth to assess the future cashflows and based the cashflows on five-year Vision. We have performed scenarios covering upside and downside sensitivities to the five-year Vision and have probability-adjusted them to arrive at the final forecasts.

Key assumptions used in recoverable value calculation

The assumptions below have been applied to calculate the recoverable amount based on value-in-use.

Discount rates: A post-tax discount rate of 11.9% represents the current market assessment of the risks specific to the group, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and is derived from its weighted average cost of capital ('WACC').

This includes the assumption that locations that do not meet targeted returns levels are closed at the earliest possible opportunity.

12. Goodwill (continued)

Retail turnover growth rates: Retail turnover are based on the approved forecast sales forecast period of five years. The retail turnover growth rate is assumed at 1-4% depending on the brand for FY24 and then 2-4% each year from FY25 onwards (2022: 2% each year till FY25 and 1.5% from FY26).

Long-term growth rates: These rates are based on the longer-term expectations across the current operating retail industry and have been assumed at 2%. The long term forecasts take into account the changes in consumer behavior – most notably the shift from physical retail to online.

Gross margins: Gross margins are assumed to continue at the current 2023 levels until such time as the market is able to move away from the current competitive pressures.

Sensitivity analysis

There is no impairment of goodwill as the weighted average value of different scenarios calculated using the model shows significant headroom.

A 1% reduction in long term growth rates against budgeted sales would not result in an impairment.

A 1% increase in WACC would not result in an impairment.

A 1% decrease in sales growth for each year would not result in an impairment.

13. Other intangible assets

Intangible assets represent registered rights to the exclusive use of the Phase Eight, Hobbs and Whistles brand names. The useful life of Phase Eight, Hobbs and Whistles brand is considered to be indefinite, having met the following criteria:

- Management does not intend to change the current brand's identity or discontinue a product line
- The brand is well established within the retail sector
- The Group's ongoing investment ensures that the brands remain up to date and fashionable
- The brands could be managed effectively by another management team and its value is therefore not linked to the tenure of current management.

The Group tests brands with indefinite life annually for impairment, or more frequently if there are indications that brands might be impaired. The carrying amount of each individual brand with indefinite life is as below:

	25/03/2023	26/03/2022
	£'000	£'000
Phase Eight	29,389	29,389
Hobbs	9,609	9,609
Whistles	1,689	1,689
	40,687	40,687

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13. Other intangible assets (continued)

	Brands and trademarks	Computer software	Total
	£'000	£'000	£'000
Cost			
At 27 March 2021	100,120	1,638	101,758
Additions during the year	-	179	179
Reclassification from tangible assets	-	184	184
At 26 March 2022	100,120	2,001	102,121
Disposals during the year	-	(13)	(13)
At 25 March 2023	100,120	1,988	102,108
Amortisation and impairment			
At 27 March 2021	59,433	637	60,070
Amortisation charge for the year	-	630	630
Impairment for the year	-	69	69
At 26 March 2022	59,433	1,336	60,769
Amortisation charge for the year	-	551	551
At 25 March 2023	59,433	1,887	61,320
Carrying amount			
At 25 March 2023	40,687	101	40,788
At 26 March 2022	40,687	665	41,352
At 27 March 2021	40,687	1,001	41,688

The recoverable amount of these brands is determined individually based on relief from royalty method which applies royalty rates derived from publicly traded companies to determine the implied market value of the brand.

The Group has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount. We look at our long-term sustainable growth to assess the future cashflows and based the cashflows on five-year Vision. We have performed scenarios covering upside and downside sensitivities to the five-year Vision and have probability-adjusted them to arrive at the final forecasts.

13. Other intangible assets (continued)

Key assumptions used in recoverable value calculation

The assumptions below have been applied to calculate the recoverable amount based on value-in-use.

Discount rates: A post-tax discount rate of 12.9% represents the current market assessment of the risks specific to the group, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates.

Long-term growth rates: These rates are based on the longer-term expectations across the current operating retail industry and have been assumed at 2%. The long term forecasts take into account the changes in consumer behavior – most notably the shift from physical retail to online. This includes the assumption that locations that do not meet targeted returns levels are closed at the earliest possible opportunity.

Retail turnover growth rates: Retail turnover are based on the approved forecast sales forecast period of five years. The retail turnover growth rate is assumed at 1-4% depending on the brand for FY24 and then 2-4% each year from FY25 onwards (2022: 2% each year till FY25 and 1.5% from FY26).

Royalty rate: The royalty rate was calculated as 3.4%. This was determined by analysing other companies in the industry and extracting relevant royalty rate information from their financial disclosures or market data to establish a comparable rate.

Sensitivity analysis

The impairment model budget figures are conservative to take account of current economic and political uncertainties. These are sensitised below:

Phase Eight

A 1% reduction in long term growth rates against budgeted sales would result in an impairment of £0.3m.
A 1% increase in WACC would result in an impairment of £1.0m.

A 1% decrease in sales growth would not result in a further impairment.

Hobbs & Whistles

Hobbs and Whistles have sufficient headroom and any significant variation of the key assumptions assumed within the impairment model is not likely to result in impairment.

14. Property, plant and equipment

	Computer equipment	Fixtures and fittings	Total
	£'000	£'000	£'000
Cost or valuation			
At 27 March 2021	24,361	95,990	120,351
Additions	868	1,560	2,428
Disposals	(504)	(11,160)	(11,664)
Reclassification	(184)	-	(184)
At 26 March 2022	24,541	86,390	110,931
Additions	1,012	4,831	5,843
Disposals	(366)	(9,901)	(10,267)
Reclassification	-	486	486
At 25 March 2023	25,187	81,806	106,993
Accumulated depreciation and impairment			
At 27 March 2021	22,543	85,541	108,084
Charge for the year	1,239	2,812	4,051
Impairment reversal	(106)	(1,961)	(2,067)
Eliminated on disposals	(141)	(9,148)	(9,289)
Reclassification	(69)	-	(69)
At 26 March 2022	23,466	77,244	100,710
Charge for the year	748	2,398	3,146
Impairment reversal	-	(1,590)	(1,590)
Eliminated on disposals	(630)	(8,297)	(8,927)
Reclassification	-	486	486
At 25 March 2023	23,584	70,241	93,825
Carrying amount			
At 25 March 2023	1,603	11,565	13,168
At 26 March 2022	1,075	9,146	10,221
At 27 March 2021	1,818	10,449	12,267

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14. Property, plant and equipment (continued)

Impairment losses/(reversal) recognised in the year

During the year, the Group carried out a review of the recoverable amount of the related fixtures and equipment. The review led to the recognition of an impairment reversal of £1.6 million (2022: £2.1 million), which has been recognised in profit or loss within administrative expenses. The recoverable amount of fixed assets is determined individually based on a value in use calculation which uses cash flow projections based on financial budgets approved by the Directors covering the term of lease. The post-tax discount rate used for the value in use was 11.9% and a 5% increase in the rate will result in a reduction in impairment reversal by an immaterial amount. On pre-tax basis the discount rate works out to be 13.5%. Furthermore, sales growth rate within 1 year was assumed between 0-3% depending on brand and then 0-2% depending on brand in the years ahead. Any reasonable change in the growth rate will not result in a material change in impairment.

15. Joint ventures

The nature of the activity of Group's joint ventures is trading in sale of clothing and fashion accessories and contributing to achieving the Group's overall strategy. None of the joint ventures are individually material.

Aggregate information of joint ventures that are not individually material

	25/03/2023	26/03/2022
	£'000	£'000
The Group's share of loss from continuing operations	-	(93)
Aggregate carrying amount of the Group's interests in these joint ventures	-	-

16. Inventories

	25/03/2023	26/03/2022
	£'000	£'000
Finished goods	57,153	35,992
	57,153	35,992

The cost of inventories recognised as an expense during the year in respect of continuing operations was £112.5m (2022: £108.3m). The cost of inventories recognised as an expense includes £12.6m (2022: £2.1m) in respect of write-downs of inventory to net realisable value. The provision reducing the carrying value of stocks to net realisable value above as at 25 March 2023 amounted to £37.0m (2022: £28.2m).

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17. Leases

Right-of-use assets

	Buildings
	£'000
Cost	
At 27 March 2021	113,332
Additions	4,953
Impairment	(1,772)
Disposals	(20,876)
At 26 March 2022	95,637
Additions	8,306
Impairment	(794)
Disposals	(17,672)
At 25 March 2023	85,477
Accumulated depreciation	
At 27 March 2021	84,008
Charge for the year	9,975
Elimination on disposal	(19,419)
At 26 March 2022	74,564
Charge for the year	9,764
Elimination on disposal	(17,414)
At 25 March 2023	66,914
Carrying amount	
At 25 March 2023	18,563
At 26 March 2022	21,073

The average lease term is 2 years (2022: 2 years).

Additions in the current year amounted to £8.3 million (2022: £5.0 million).

The maturity analysis of lease liabilities is presented in note 21.

17. Leases (continued)

Amounts recognised in profit and loss	25/03/2023 £'000	26/03/2022 £'000
Depreciation expense on right-of-use assets	9,764	9,975
Interest expense on lease liabilities	1,486	2,011
Expense relating to short-term leases	200	451
Expense relating to leases of low value assets	84	135
Expense relating to variable lease payments not included in the measurement of the lease liability	2,674	2,079

In addition there are future payments for short term leases with a term of 12 months or less and for leases of low-value assets up to £5,000 which, however, are immaterial from TFG London's perspective. The expenses relating to low value assets are disclosed above and are not expected to change materially in future years.

Overall the variable payments constitute 16 per cent (2022: 11 per cent) of the Group's entire lease payments. The variable payments depend on sales and consequently on the overall economic development over the next few years.

The total cash outflow for leases amount to £14.5 million (2022: £17.9 million).

Future cash outflows not reflected in lease liability

Future payments for not reasonably certain extension options

	25/03/2023 £'000	26/03/2022 £'000
Not later than one year	433	562
Later than one year and not later than five years	11,289	13,086
Later than five years	3,868	7,530
Total undiscounted cashflows	15,590	21,178

Impairment losses recognised in the year

During the year the Group carried out a review of the recoverable amount of the related right-of-use assets. The review led to the recognition of an impairment loss of £0.8 million (2022: £1.8 million), which has been recognised in profit or loss within administrative expenses. The recoverable amount of right-of-use assets is determined individually based on a value in use calculation which uses cash flow projections based on financial budgets approved by the Directors covering a five-year period. The post-tax discount rate used for the value in use was 11.9% and a 5% increase in the rate will result in an increase of impairment by an immaterial amount. On pre-tax basis the discount rate works out to be 13.5%. Furthermore, sales growth rate within 1 year was assumed between 0-3% depending on brand and then 0-2% depending on brand in the years ahead. Any reasonable change in the growth rate will not result in a material change in impairment.

18. Trade and other receivables

	25/03/2023	26/03/2022
	£'000	£'000
Trade receivables	15,454	16,476
Loss allowance	(4,635)	(4,232)
	10,819	12,244
Other receivables	4,634	3,166
Corporation tax	283	-
Prepayments	3,363	2,699
	19,099	18,109

Trade receivables

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss ("ECL").The expected credit losses on trade receivables are estimated using a past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

The management has assessed the current year provision to be an average of 30.1% (2022: 29.7%). This includes a combination of debtors that were assessed individually and others that were assessed collectively.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in IFRS 9.

	Collectively assessed	Individually assessed	Total
	£'000	£'000	£'000
Balance as at 27 March 2021	1,961	387	2,348
Changes in credit risk parameters	(1,139)	3,023	1,884
Balance as at 26 March 2022	822	3,410	4,232
Changes in credit risk parameters	55	348	403
Balance as at 25 March 2023	877	3,758	4,635

19. Borrowings

	25/03/2023	*restated 26/03/2022
	£'000	£'000
Unsecured borrowing at amortised cost		
Preference shares	242,084	230,554
Owed to parent company	113,542	107,579
	355,626	338,133
Secured borrowing at amortised cost		
Bank loans	51,507	53,840
Total borrowings	407,133	391,973
Non-current	242,084	230,554
Current	165,049	161,419

*Restatement to see note 33 for further information.

The principal features of the Group's borrowings are as follows.

(i) The Group has a single Secured £55m Revolving Credit Facility. The facility has a minimum term of three years ending February 2024, which is extendable for further one year subject to bank approval. Post the balance sheet date, the facility has been extended to February 2025. The interest rate is 2.50% + SONIA on drawn facilities and a 1.00% commitment fee on undrawn amounts. At 25 March 2023, £51,507,000 of the Revolving Credit Facility was drawn (2022: £53,840,000).

(ii) Amounts payable to parent company carry interest of 5% (2022: 5%) per annum charged on the outstanding loan balances, these balances are repayable on demand. As of the date of signing, it has been agreed the amounts owed to Parent companies will not be repaid before the next financial year end.

(iii) Following preference shares are in issue:

	25/03/2023	26/03/2022
	£'000	£'000
138,455,199 Preference A shares of £1 each	138,455	138,455
23,902,718 Preference B shares of £1 each	23,903	23,903
316,278 Preference C shares of £0.05 each	16	16
Total value excluding accrued interest	162,374	162,374

The shares carry 5% non-discretionary dividends. The preference shares do not carry any equity component and are classified as financial liabilities in their entirety. The weighted average interest rates paid during the year were as follows:

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19. Borrowings (continued)

	25/03/2023	26/03/2022
	%	%
Loans from related parties	5	5
Redeemable cumulative preference shares	5	5
Bank loans	2.5 + SONIA	2.5 + SONIA

20. Deferred tax

The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon during the current and prior reporting period.

	Accelerated tax depreciation	Intangibles	Leases	Provision on trade debtors	Other provisions	Tax losses	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 27 March 2021	3,539	(7,798)	788	1,023	1,846	6,325	5,723
Prior year adjustment	920	-	-	-	-	242	1,162
Change of tax rate		(2,463)	249	-	342	2,240	368
Charge/(credit) to profit or loss	(90)	-	(383)	193	(203)	-	(483)
At 26 March 2022	4,369	(10,261)	654	1,216	1,985	8,807	6,770
Opening balance adjustment	-	-	-	-	(122)	-	(122)
Change of tax rate	1,333	-	-	-	293	-	1,626
Credit to profit or loss	(436)	-	(359)	(203)	(390)	-	(1,388)
Prior year adjustment	(989)	(950)	-	-	1,033	962	56
At 25 March 2023	4,277	(11,211)	295	1,013	2,799	9,769	6,942

20. Deferred tax (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	25/03/2023	26/03/2022
	£'000	£'000
Deferred tax asset	6,942	6,770
	6,942	6,770

21. Lease liabilities

	25/03/2022	26/03/2022
	£'000	£'000
Maturity analysis:		
Year 1	11,449	13,899
Year 2	7,504	8,544
Year 3	3,981	4,296
Year 4	1,776	2,361
Year 5	1,450	1,386
Onwards	1,820	2,919
	27,980	33,405
Less: unearned interest	(2,326)	(2,943)
	25,654	30,462
Analysed as:		
Current	10,430	11,934
Non-current	15,224	18,528
	25,654	30,462

The Group does not face a significant liquidity risk with regard to its lease liabilities.

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22. Trade and other payables

	25/03/2023	26/03/2022
	£'000	£'000
Creditors due within one year		
Trade payables	31,766	30,136
Other taxation and social security	3,546	5,630
Corporation tax	-	2,398
Other payables	5,463	6,981
Minority interest option to buy	1,981	-
Accruals	30,725	28,391
	73,481	73,536
Creditors due after more than one year		
Minority interest option to buy	-	1,634
	-	1,634

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

The Directors consider that the carrying amount of trade payables approximates to their fair value.

The minority interest option to buy relates to put option on the Hong Kong joint ventures. The option is to buy the 50% equity per the joint venture contract.

23. Provisions

	Gift cards	Onerous contract	Refunds	Dilapidation	Restructuring and other employee matters	Total
	£'000	£'000	£'000	£'000	£'000	£'000
At 26 March 2022	2,388	842	5,685	3,423	4,399	16,737
Additional provision in the year	542	304	4,392	1,895	-	7,133
Release of provision					(2,749)	(2,749)
Utilisation of provision	(194)	(310)	(5,120)	(1,841)	(1,549)	(9,014)
At 25 March 2023	2,736	836	4,957	3,477	101	12,107

	25/03/2023	26/03/2022
	£'000	£'000
Due within one year	8,777	10,926
Due after more than one year	3,330	5,811
	12,107	16,737

The provision for returned goods of £4.9m (2022: £5.7m) is calculated based on the proportion of items bought prior to the financial year end that are expected to be returned after that date. The provision is reassessed annually based on the level of sales around the year end, and has to be utilised within 28 days.

The provision for gift cards of £2.7m (2022: £2.4m) is based on the value of outstanding balances on gift cards estimated to be redeemed in the future. The provision is reassessed annually based on the level of unutilised gift cards around the year end, reduction of the provision is based around redemption of such gift cards by the customer, which can be at any point in time.

The provision for onerous contracts of £836,000 (2022: £842,000) is based on management's estimate of lease costs which outweigh the economic benefits expected to be derived from it. The utilisation of such provision is expected to be aligned with the end of the lease.

The provision for dilapidations of £3.5m (2022: £3.4m) is based on management's estimate of dilapidation costs arising or store leases where a commitment to exit at the expiry date has been made. This provision is reversed with the end of tenancy contract with landlords. The utilisation of such provision is expected to be after 12 months of the year end.

The provision for restructuring £0.1m (2022: £4.4m) relates to the moving of head office and other facilities to other locations and management's estimate of other employee related matters. The provision remaining at the year end of £0.1m relates to other employee matters after a release of £2.7m.

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24. Share capital

	25/03/2023	26/03/2022
	£'000	**£'000**
Authorised, allotted, issued and fully paid:		
1,791,834 ordinary A shares of £0.01 each	18	18
244,507 ordinary B shares of £0.01 each	2	2
64,659 ordinary C shares of £0.01 each	1	1
Authorised, allotted, issued and fully paid:	21	21

The A and C ordinary shares carry equal voting rights, whereas B ordinary shares do not carry voting rights. The C ordinary shares receive fixed dividend, whereas any dividend declared is distributed equally between A and B ordinary shares.

Additionally, the Company has authorised, issued and fully paid cumulative preference classified as liabilities. These shares do not carry voting rights. Further details are provided in note 19.

25. Reserves

Share premium account

	25/03/2023	26/03/2022
	£'000	**£'000**
Balance at start and end of the year	1,774	1,774

Other reserves

	25/03/2023	26/03/2022
	£'000	**£'000**
Balance at 26 March 2022	3,775	3,775
Transferred to retained earnings	(3,775)	-
Balance at 25 March 2023	-	3,775

Other reserves was previously used to accumulate gains and losses recorded in respect of the put option liability shown in note 28. During the year ended 25 March 2023 £3,775,000 was moved to retained earnings (2022: £nil) as the fair value movement should have been recognised within the Statement of Comprehensive Income.

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26. Retained earnings

	£'000
Balance at 27 March 2021	(219,688)
Net loss for the year	(60)
Other comprehensive loss	253
Balance at 26 March 2022	(219,495)
Net profit for the year	3,460
Other comprehensive income	(493)
Transfer of other reserve to retained earnings	(3,775)
	(220,303)

27. Retirement benefit plans

The Group offers a Personal pension scheme that is available to all employees. Employees are enrolled into the pension as and when they become eligible which is dependent on their age and earnings. This is in line with the autoenrollment rules as outlined in the guidance issued by the Pension Regulator and managed by Scottish Widows. The total expense recognised in profit or loss of £1,225,786 (2022: £1,215,000) represents contributions payable to these plans by the Group at rates specified in the rules of the plans. As at 25 March 2023, contributions of £230,800 (2022: £225,107) due in respect of the current reporting period had not been paid over to the plans and has been included in accruals.

28. Financial instruments

28 (a) Fair values of financial instruments

Fair values

The table below analyses financial instruments, into a fair value hierarchy based on the valuation technique used to determine fair value.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities. There are
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial instruments not measured at fair value

The fair value is not disclosed as the carrying value is a reasonable approximation of the fair value.

28 (a) Fair values of financial instruments (continued)

Following are the financial instruments included at fair value:

	2023 £'000	2022 £'000
Level 2 Financial assets/(liability) at fair value		
Derivative financial instruments	(78)	6
Put option liability	(1,981)	(1,701)

28 (b) Credit risk

Credit risk and trade receivables

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the trade and other receivables. TFG's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. In monitoring credit risk, customers are grouped according to their credit characteristics, including geographic location, industry, and existence of previous financial difficulties. We assess the credit risk by grouping trade debtors under IFRS 9 classed as individual and grouped. Individual risk covers 3 customers and equates to 81.1% of total trade debtors. For further details refer to note 18.

Exposure

The maximum exposure to credit risk at 25 March 2023 was:

	Trade receivables – days from invoice date					
25/03/2023	0-30	31-60	61-90	91-120	>120	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Trade debtors	11,432	324	181	3,517	-	15,454

The maximum exposure to credit risk at 26 March 2022 was:

	Trade receivables – days from invoice date					
26/03/2022	0-30	31-60	61-90	91-120	>120	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Trade debtors	12,577	318	125	3	3,453	16,476

28 (b) Credit risk

Credit risk and bank

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. Following is a list of main bank accounts used by the group, their credit rating and balances held at the year end:

Bank	External credit rating	Gross amount	Gross amount
		25 March 2023	26 March 2022
		£'000	£'000
Lloyds Bank Plc	A+	49,791	51,123
Barclays Bank UK Plc	A	18,470	34,534
Santander UK Plc	A	1,863	415
UBS	A-	748	1,663
Commerzbank	A-	99	125
HSBC Plc	A+	-	-
Natwest/Ulster	BBB	366	2,003
Other banks	N/A	7,179	3,849

28 (c) Liquidity risk

Financial risk management

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its *financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to* managing liquidity is to ensure that it will always have sufficient cash flow to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. This risk is managed through cash flow forecasts, the optimisation of daily cash management and by ensuring that adequate borrowing facilities are maintained.

The following are the contractual maturities of financial liabilities at 25 March 2023. The amounts are gross and undiscounted and exclude the impact of netting agreements:

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Year ended 25 March 2023	Carrying amount	Contractual cash flows	1 year or less	1 to 2 years	2 to 5 years	5 years and over
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Non-Derivative financial liabilities						
Interest bearing loans and borrowings						
- Revolving Credit Facility	**51,507**	51,507	51,507	-	-	-
Trade payables	**31,766**	31,766	31,766	-	-	-
Other payables	**38,165**	38,165	38,165	-	-	-
Lease liability	**25,654**	25,654	10,429	6,908	6,577	1,740
Tax payable	**3,546**	3,546	3,546			
Redeemable preference shares	**242,084**	242,084	-	-	-	242,084
Amount payable to parent company	**113,542**	113,542	113,542	-	-	-
		506,264	**248,959**	**6,908**	**6,577**	**243,824**

Year ended 26 March 2022	Carrying amount	Contractual cash flows	1 year or less	1 to 2 years	2 to 5 years	5 years and over
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Non-Derivative financial liabilities						
Interest bearing loans and borrowings						
- Revolving Credit Facility (restated note 33)	**53,840**	53,840	53,840	-	-	-
Trade payables	**30,136**	30,136	30,136	-	-	-
Other payables	**36,590**	36,590	36,590	-	-	-
Lease liability	**30,462**	30,462	12,652	7,848	7,224	2,738
Tax payable	**8,028**	8,028	8,028	-	-	-
Redeemable preference shares	**230,554**	230,554	-	-	-	230,554
Amount payable to parent company *restated (note 33)	**107,579**	107,579	107,579	-	-	-
		497,189	**248,825**	**7,848**	**7,224**	**233,292**

TFG Brands (London) Limited

Notes to the consolidated financial statements

For the year ended 25 March 2023

28 (d) Market risk

Financial risk management

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, whilst optimising the return. The Group occasionally uses derivative financial instruments to hedge its exposure to foreign exchange risks arising from operational, financing and investment activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes.

As at 25 March 2023, the Group had 18 forward contracts outstanding (2022: 18) which had been taken out to partially hedge its foreign exchange exposure. At 25 March 2023 the outstanding contracts all mature within 6 months of the year end. The company is committed to sell US$14,700,000 and received a fixed Sterling amount.

Currency risk

The Group is exposed to currency risk as operating subsidiaries undertake transactions that are denominated in foreign currencies.

25 March 2023	Sterling	Euro	Swiss Francs	Australian Dollar	US Dollar	Hong Kong Dollar	Mexican Peso	Singapore Dollars	Other	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cash and cash equivalents	56,738	9,411	1,917	263	7,640	293	1,678	143	433	78,516
Trade receivables	7,962	1,264	-	143	366	-	527	-	557	10,819
Trade and other payables	(89,712)	(5,322)	(851)	(86)	(548)	(1,981)	(215)	-	(420)	(99,135)
Interest bearing loans and borrowings	(407,133)	-	-	-	-	-	-	-	-	(407,133)
Net balance sheet exposure	(432,145)	5,353	1,066	320	7,458	(1,688)	1,990	143	570	(416,933)

26 March 2022	Sterling	Euro	Swiss Francs	Australian Dollar	US Dollar	Swedish Krona	Mexican Peso	Singapore Dollars	Other	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cash and cash equivalents	70,368	9,059	3,246	1,458	6,673	257	1,109	249	1,293	93,712
Trade receivables	9,609	1,379	107	-	255	27	405	-	462	12,244
Derivative financial instruments	(90,982)	(7,835)	(1,639)	(32)	(601)	(1)	(162)	-	(348)	(101,600)
Trade and other payables	(391,973)	-	-	-	-	-	-	-	-	(391,973)
Interest bearing loans and borrowings										
Net balance sheet exposure	(402,978)	2,603	1,714	1,426	6,327	283	1,352	249	1,407	(387,617)

28. Financial instruments (continued)

28 (d) Market risk (continued)

Interest rate risk

The Group is exposed to interest rate risk on its borrowings. There is no interest rate risk on trade payables.

At 25 March 2023, the interest profile of the Group's interest bearing financial instruments was:

Interest rate risk (continued)

	25 March 2023 Carrying amount £'000	25 March 2023 Interest rate	26 March 2022 Carrying amount £'000	26 March 2022 Interest rate
Financial liabilities				
Revolving Credit Facility	**51,507**	2.5% + SONIA	**53,840**	2.5% + SONIA
Redeemable cumulative preference shares	**242,084**	5%	**230,554**	5%
Loan notes issued to subsidiary *partner*	**-**	5%	**-**	5%
Loan notes issued to parent company	**113,542**	5%	**107,579**	5%

29. Events after balance sheet date

Post year end the company has exercised the option to acquire the remaining shareholding of Phase Eight (Hong Kong) Limited, Phase Eight (Macau) Limited, Hobbs (Hong Kong) Limited and Whistles (Hong Kong) Limited. The estimated cost of acquisition is approximately £2m.

Post year end the revolving credit facility has been extended for another year with the facility expiring in February 2025.

30. Banking facilities

Bank facilities taken out by TFG Brands (London) Limited totalled £55,000,000 at 25 March 2023 (2022: £57,500,000).

TFG Brands (London) Limited

Notes to the consolidated financial statements

For the year ended 25 March 2023

31. Related party transactions

Directors' remuneration

Due to the nature of the wider group, the remuneration of the South African Directors for their services to TFG Brands (London) Limited is not contained in the records of the company and it is not possible to make an accurate apportionment of their emoluments in respect of each of the individual companies. Therefore, no amounts were recharged to the company during the current or prior year. A Murray, A Thunström, B Ntuli, and S Baird were remunerated for their services to the wider group of companies headed by the company's ultimate parent, The Foschini Group Limited. The remuneration is disclosed in the consolidated financial statements of The Foschini Group Limited or Foschini Retail Group (Pty) Limited, copies of which can be obtained by writing to The Foschini Group Limited, Stanley Lewis Centre, 340 Voortrekker Road, Parow East 7500, Cape Town, South Africa.

Balances and transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its ultimate parent company are disclosed below.

Loans from related companies

	25/03/2023	26/03/2022
	£'000	£'000
Loans from parent:		
Dress Holdco A Limited	113,542	107,579

The Group has provided its associates with short-term loans at rates comparable to the average commercial rate of interest (see note 19).

32. Parent and ultimate parent company

The immediate parent company of TFG Brands (London) Limited is Dress Holdco A Limited and the ultimate parent company and ultimate controlling party is The Foschini Group Limited.

The parent undertaking of the smallest and largest group, which includes the company and for which group accounts are prepared, is The Foschini Group Limited, a company incorporated in South Africa with registered address Stanley Lewis Centre, 340 Voortrekker Road, Parow East, 7500, Cape Town, South Africa. Copies of the group financial statements of The Foschini Group Limited are available from www.tfglimited.co.za.

33. Prior year restatement

In February 2020, the group's existing funding arrangement with a consortium of UK based banks ("the consortium") was extended to cover a five-year period. The arrangement provided for a facility of three years and two further periods where the group has the right to request extensions for 12 months each, subject to the approval of the consortium. In October 2022 the first extension was granted by the consortium, extending the facility to February 2024 with no changes to the existing terms as described above.

33. Prior year restatement (continued)

Subsequent to the extension and on further analysis of the contractual terms of the funding arrangement, the group has revised the classification of the liability previously disclosed as non-current liabilities, to current liabilities, restating the March 2022 financial information as illustrated below. The extension approval took place after year end, which did not give the group the substantive right as at 31 March 2022 to defer repayment beyond 12 months of that date, and in accordance with IAS1 Presentation of Financial Statements (IAS1), this liability should be classified as current in this financial period and in the comparative financial period. The group has classified the liability as current through a restatement thereby complying with IAS1 in line with the financial impacts as detailed below.

This restatement only impacts certain classifications within the Statement of Financial Position and the relevant notes reflecting current and non-current interest bearing debt, and has no impact on the profit or cash flows of the group. The restatement had no impact on the group's income statement, Statement of changes in equity and Statement of cash flows. The restatement had no impact on the Statement of Financial Position at 31 March 2021.

In addition to the above, as at the balance sheet date, the company did not have a right to defer payment of certain intragroup borrowings for 12 months beyond the balance sheet date. These circumstances also existed at the end of the prior period. Based on this fact pattern, the liabilities have been reclassified to current liabilities from non-current in both the current and prior year, in order to correct for this error. As of the date of signing, it has been agreed the amounts owed to Parent companies will not be repaid before the next financial year end. This restatement only impacts certain classifications within the Statement of Financial Position and the relevant notes reflecting current and non-current interest bearing debt, and has no impact on the profit or cash flows of the group. The restatement had no impact on the group's income statement, Statement of changes in equity and Statement of cash flows. The restatement does impact on the Statement of Financial Position at 27 March 2021 which has been restated and accordingly a third statement of financial position has been presented.

The impact of the restatement on the group's statement of financial position at the end of the prior year is detailed below:

	As at 26 March 2022		
	As previously reported	**Restatement**	**Restated**
	£'000	**£'000**	**£'000**
Loans and borrowings			
Current liabilities			
Bank loans	-	53,840	53,840
Owed to parent company	-	107,579	107,579
	-		161,419
Non-current liabilities			
Bank loans	53,840	(53,840)	-
Owed to parent company	107,579	(107,579)	-
	161,419		-

TFG Brands (London) Limited

Separate financial statements of the parent company

TFG Brands (London) Limited

Balance Sheet

As at 25 March 2023

Separate financial statements of the parent company

	Note	2023 £'000	2022 £'000 restated*
Non-current assets			
Tangible assets	6	377	120
Intangible assets	7	101	665
Investments	5	34,614	17,420
		35,092	18,205
Current assets			
Debtors:			
- Due within one year	8	8,013	4,364
- Due after more than one year	8	121,362	118,749
Cash and bank balances		31,450	20,575
		160,825	143,688
Creditors: Amounts falling due within one year	9	(171,992)	(153,482)
Net current liabilities		(11,167)	(9,794)
Total assets less current liabilities		23,925	8,411
Creditors: Amounts falling due after one year	9	(242,084)	(230,554)
Net liabilities		(218,159)	(222,143)
Equity			
Share capital	10	21	21
Share premium account	11	1,774	1,774
Retained earnings	12	(219,954)	(223,938)
		(218,159)	(222,143)

* Comparative information restated to show bank loan due with one year (note 16)

The Company reported a profit for the financial year ended 25 March 2023 of £4.0m (26 March 2022: £5.8m loss).

The financial statements of TFG Brands (London) Limited (registered number 09379971) were approved by the board of Directors and authorised for issue on 19th July 2023. They were signed on its behalf by:

M Wilson

Director

TFG Brands (London) Limited

Statement of changes in equity

As at 25 March 2023

	Called-up Share capital £'000	Share premium £'000	Profit and loss account £'000	Total £'000
Balance at 27 March 2021	21	1,774	(218,131)	(216,336)
Total comprehensive loss for the year				
Loss for the year	-	-	(5,807)	(5,807)
Balance at 26 March 2022	21	1,774	(223,938)	(222,143)
Total comprehensive loss for the year				
Profit for the year	-	-	3,984	3,984
Balance at 25 March 2023	21	1,774	(219,954)	(218,159)

Notes to the financial statements

For the year ended 25 March 2023

1. General information

TFG Brands (London) Limited (the 'company') is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the company's registered office is shown on page 1.

The nature of the company's operations and its principal activities are set out in the strategic report.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the company operates.

In the current year, the Company has applied a number of amendments to IFRS Standards issued by the International Accounting Standards Board (the Board) that are mandatorily effective for an accounting period that begins on or after 1 January 2022. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

2. Significant accounting policies

Basis of accounting

The company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the Financial Reporting Council. These financial statements have been prepared in accordance with FRS 101.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets and related party transactions.

Where required, equivalent disclosures are given in the consolidated financial statements or included in the group accounts of the ultimate parent company The Foschini Group Limited. The group accounts of The Foschini Group Limited are available to the public.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

2. Significant accounting policies (continued)

Going concern

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future being a period of at least twelve months from the date of signing this report. The directors consider that it is appropriate to prepare the accounts on a going concern basis based on the cash flow projections they have prepared and their assessment of borrowing facilities available at group level (TFG Brands (London) Limited as the parent company for the UK group) as well as support from the ultimate parent (The Foschini Group Limited).

UK group management has prepared a detailed forecast to cover the 12 month period of trading from the signing date of these financial statements. As at the balance sheet date, the current revolving credit facility with the banks expires in February 2024. As at the signing date of these accounts, the group has extended the facility for another 12 months expiring February 2025. Given the level of cash within the TFG London Group (including the immediate parent company) as at the year end of £98.6m (2022: £93.7m) and based on updated cashflow forecasts including various scenarios, it believes that cash flows from operations and on-hand cash and cash equivalents provide adequate funds to support the operations for at least 12 months from the date of signing these accounts.

While expecting that the UK group headed by TFG Brands (London) Limited will be able to continue trading independently, the directors have also obtained a letter of support from the ultimate parent company The Foschini Group Limited. The letter of support confirms that the Foschini Group Limited will continue to provide financial and other support to the UK group to the extent necessary to enable it to continue in its business and meet its financial obligations as they fall due in the normal course of business for at least 12 months from the date of approval of the financial statements for the year ended 25 March 2023. The directors have taken all necessary steps to assure themselves of both the ability and intention of the parent company to provide the support offered for the full going concern period and have given due consideration to the potential uncertainties arising from relying upon the support of another company.

As a consequence, the directors believe the company is well placed to manage its business risks successfully and meet liabilities as they fall due despite the uncertain economic outlook and consider it appropriate to prepare the financial statements on the going concern basis.

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less, where appropriate, provisions for impairment.

Revenue recognition

Dividend and interest revenue

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably).

Interest income is recognised when it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly

2. *Significant accounting policies (continued)*

Dividend and interest revenue (continued)

discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Company's investments that are in form of loan notes issued to its subsidiaries is accruing interest. The interest income generated on these loan notes is added back to the initial cost of investment.

Borrowing costs

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

Retirement costs

Payments to pension scheme are charged as an expense as they fall due. Payments made to state-managed retirement schemes are dealt with as payments to defined contribution schemes where the company's obligations under the schemes are equivalent to those arising in a defined contribution scheme.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

2. Significant accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised in the company's balance sheet when the company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified as 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets are classified based on the business model within which the asset is held and the contractual cash flow characteristics of such assets. There are three principal classification categories for financial assets that are debt instruments: (i) amortised cost, (ii) fair value through other comprehensive income (FVTOCI) and (iii) fair value through profit or loss (FVTPL).

Equity instruments are measured at fair value with gains and losses recognised in profit or loss unless an irrevocable election is made to recognise gains or losses in other comprehensive income.

Loans and receivables

Trade debtors, loans, and other debtors that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Impairments in terms of IFRS 9 are determined based on the expected credit loss (ECL) model, as opposed to an incurred loss model applied in terms of IAS 39. The ECL model applies to all financial assets measured at amortised costs. The calculation of the ECL incorporates forward-looking information.

This forward-looking view includes:

2. Significant accounting policies (continued)

• Information based on expected future macro-economic conditions;

• Potential impacts based on industry specific challenges, including but not limited to potential legislative changes; and

• Expert management judgement.

Derecognition of financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the company retains an option to repurchase part of a transferred asset), the company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recognised at the proceeds received, net of direct issue costs.

2. Significant accounting policies (continued)

Financial liabilities

Financial liabilities are classified as 'other financial liabilities'.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire.

Derivative financial instruments

The company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Property, plant and equipment

Plant, machinery, fixtures and fittings are stated at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognised so as to write off the cost or valuation of assets (other than

freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method, on the following bases:

Computer equipment	3 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset.

An item of property, plant and equipment is recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or

2. Significant accounting policies (continued)

Property, plant and equipment (continued)

retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives, on the following basis:

Computer Software	3 years

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

3. Critical accounting judgements 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 (other than those involving estimations) that have a significant impact on the amounts recognised and to make 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 judgements, apart from those involving estimations (which are dealt with separately below), that they have made in the process of applying the company's accounting policies and that would have a significant effect on the amounts recognised in financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

3. *Critical accounting judgements and key sources of estimation uncertainty (continued)*

Carrying value of fixed asset investments

The carrying values of fixed asset investments are reviewed at each balance sheet date and a judgement made over the ongoing valuation. Estimations are made annually relating to sales growth rates and long term growth and weighted average cost of capital ('WACC'). The retail turnover growth rate is 1-4% depending on brand for FY24 and 2-4% depending on brand from FY25 onwards (2022: 2% each year till FY25 and 1.5% from FY26). The discount rate calculation is based on the specific circumstances of the Group and is derived from its WACC which was calculated at 11.9%. Long term growth rate is 2%.

As a result of the above assumptions investment within Dress Holdco C Limited has been reversed by £15.1m as the trade recovery post Covid-19 has been much better than expectation. There is no impairment in the investment in Hobbs Fashion Holdings Limited as the calculation shows significant headroom.

Sensitivity analysis

Dress Holdco C

For the investment within Dress Holdco C to show any impairment any of the following assumptions should be met:

- 1% basis point increase in WACC; or
- *Nil growth rate;*

or a combination of the above.

Once the WACC rate and growth rate assumptions exceed the increase or decrease mentioned above, the current year impairment reversal will be eliminated, and the investment will show an immaterial impairment loss. Hobbs Fashion Holdings: No sensitivity analysis has been performed in the investment in Hobbs as no reasonable possible changes in assumptions would lead to further impairment given the significant headroom.

4. Profit/(Loss) for the year

As permitted by s408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income is presented in respect of the parent company. The loss attributable to the Company is disclosed in the footnote to the Company's balance sheet.

The auditor's remuneration for audit and other services is disclosed in note 6 to the consolidated financial statements. Disclosure of Directors' remuneration is included in note 12 to the consolidated financial statement.

Notes to the financial statements

For the year ended 25 March 2023

4. Profit/(Loss) for the year (continued)

The average full time equivalent monthly number of employees (including executive Directors) was:

	2023 Number	2022 Number
Administration	165	151
	165	151

Their aggregate remuneration comprised:

	2023 £'000	2022 £'000
Wages and salaries	10,844	9,193
Social security costs	1,284	892
Cost of defined contribution pension scheme	283	263
Long term employee benefit charges	1,542	2,121
	13,953	12,469

5. Fixed asset investments

Note 14 includes details of all related undertakings.

	Intercompany loan receivables £'000	Investments in ordinary shares £'000	Total £'000
Cost			
At 26 March 2022	17,001	419	17,420
Impairment reversal	15,120	-	15,120
Investment income	2,074	-	2,074
At 25 March 2023	34,195	419	34,614

The carrying values of fixed asset investments are reviewed at each balance sheet date and a judgement made over the ongoing valuation. Estimations are made annually relating to sales growth rates and long term growth and weighted average cost of capital ('WACC'). The details of assumptions and sensitivity analysis is within note 3 of these accounts.

TFG Brands (London) Limited

Notes to the financial statements

For the year ended 25 March 2023

6. Tangible fixed assets

	Computer equipment £'000
Cost	
At 26 March 2022	132
Additions	328
At 25 March 2023	460
Accumulated depreciation	
At 26 March 2022	12
Charge for the year	71
At 25 March 2023	83
Carrying amount	
At 25 March 2023	377
At 26 March 2022	120

Notes to the financial statements

For the year ended 25 March 2023

7. Intangible assets

	Computer software £'000
Cost	
At 26 March 2022	2,001
Disposals	(13)
At 25 March 2023	1,988
Accumulated depreciation	
At 26 March 2022	1,336
Charge for the year	551
At 25 March 2023	1,887
Carrying amount	
At 25 March 2023	101
At 26 March 2022	665

8. Trade and other receivables

	2023 £'000	2022 £'000
Amounts falling due within one year:		
Amounts owed by group undertakings	6,889	3,300
Prepayments	102	140
Other taxation	59	747
Other debtors	963	177
	8,013	4,364
Amounts falling due after more than one year:		
Amounts owed by group undertakings	120,138	118,495
Deferred tax asset	1,224	254
	121,362	118,749
Total debtors	129,375	123,113

8. Trade and other receivables (continued)

There is no fixed repayment term for the amounts owed by group undertakings, which are unsecured. Interest has been accrued at 5% per annum on these amounts. The intercompany balances shown due within one year relate to trading balances. No interest has been charged on these balances due and they are receivable within the next 12 months.

9. Trade and other payables

	2023 £'000	2022 £'000 Restated*
Amounts falling due within one year:		
Trade creditors	806	375
Bank loan	51,507	53,840
Corporation tax	763	-
Amounts owed to parent company	98,806	93,409
Amounts owed to subsidiaries	15,383	1,927
Other creditors	587	613
Accruals	4,140	3,318
	171,992	153,482

	2023 £'000	2022 £'000
Amounts falling due after more than one year:		
Preference shares	242,084	230,554
	242,084	230,554

Amounts owed to parent company, Dress Holdco A Limited, of £98,806,000 (2022: £93,409,000) are unsecured. Loans received from parent company worth £29,727,000 includes accrued interest payable at 8% and remaining loan of £69,079,000 includes interest accrued at 5%.

An amount for £13,367,000 (2022: £1,829,000) was due to subsidiaries at the year end. The amount is unsecured and interest payable on amounts owed has been accrued at 5%.

Preference shares at 25 March 2023 and 26 March 2022 consist of 138,455,199 A Preference shares and 23,902,718 B Preference shares. Ordinary shares at 25 March 2023 and 26 March 2022 consist of 316,278 C Ordinary shares. The A and B Preference shares accrue a 5% preference dividend and the C Ordinary shares accrue a coupon based on SONIA. The preference shares were issued fully paid at £1 per share (1p nominal value, 99p premium) and the C Ordinary shares were issued fully paid at their nominal value (5p per share).

Notes to the financial statements

For the year ended 25 March 2023

10. Called-up share capital

	2023 £'000	2022 £'000
Authorised, allotted, issued and fully paid:		
1,791,834 ordinary A shares of £0.01 each	18	18
244,507 ordinary B shares of £0.01 each	2	2
64,659 ordinary C shares of £0.01 each	1	1
	21	21

11. Share premium account

	Share premium £'000
Balance at 25 March 2023 and 26 March 2022	1,774

The share premium relates to 1,791,834 A Ordinary shares, all of which were issued at a premium of 99p per share.

12. Retained earnings

	£'000
Balance at 27 March 2021	(218,131)
Net loss for the year	(5,807)
Balance at 26 March 2022	(223,938)
Net profit for the year	3,984
Balance at 25 March 2023	(219,954)

13. Related party transactions

Directors' remuneration

Due to the nature of the wider group, the remuneration of the South African Directors for their services to TFG Brands (London) Limited is not contained in the records of the company and it is not possible to make an accurate apportionment of their emoluments in respect of each of the individual companies. Therefore, no amounts were recharged to the company during the current or prior year. A Murray, A Thunström, B Ntuli, and S Baird were remunerated for their services to the wider group of companies headed by the company's ultimate parent, The Foschini Group Limited. The remuneration is disclosed in the consolidated financial statements of The Foschini Group Limited or Foschini Retail Group (Pty) Limited, copies of which can be obtained by writing to The Foschini Group Limited, Stanley Lewis Centre, 340 Voortrekker Road, Parow East 7500, Cape Town, South Africa.

The remuneration of the remaining directors, analysed under the headings required by company law is set out below.

	2023 £'000	2022 £'000
Emoluments	1,309	1,141
Company contributions to money purchase pension schemes	12	42
	1,321	1,183
	Number	**Number**
The number of Directors who:		
Are members of a money purchase pension scheme	2	4
	2023 £'000	**2022 £'000**
Remuneration of the highest paid Director:		
Emoluments	968	641
Company contributions to money purchase pension schemes	10	12
	978	653

Directors' remuneration is presented based on services provided to the company and its subsidiaries. These emoluments were borne by the company.

During the year, two Directors of the company were remunerated through TFG Brands (London) Limited for services to the company and wider Group (2022: five).

TFG Brands (London) Limited

Notes to the financial statements

For the year ended 25 March 2023

14. Related undertakings disclosure

The parent company and the company have investments in the following subsidiary undertakings, associates and other investments.

Name	Registered office address	Class of shares	Holding
Dress Holdco C Limited	55 Kimber Road, London, SW18 4NX, UK	Ordinary	100%
TFG Brands Korea Limited	55 Kimber Road, London, SW18 4NX, UK	Ordinary	100%
Dress Holdco 4 Limited*	55 Kimber Road, London, SW18 4NX, UK	Ordinary	100%
Poppy Holdco Limited *	55 Kimber Road, London, SW18 4NX, UK	Ordinary	100%
Cameron Topco Limited*	55 Kimber Road, London, SW18 4NX, UK	Ordinary	100%
Whistles Holdings Limited*	183 Eversholt Street, London, NW1 1BU, UK	Ordinary	100%
Whistles Acquisitions Limited*	183 Eversholt Street, London, NW1 1BU, UK	Ordinary	100%
Whistles Limited*	183 Eversholt Street, London, NW1 1BU, UK	Ordinary	100%
Whistles AG*	Adlerstr. 21, 4052 Basel, Switzerland	Ordinary	100%
Whistles USA Inc*	Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington Delaware 19808, USA	Ordinary	100%
Whistles USA LLC*	Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington Delaware 19808, USA	Ordinary	100%
Whistles Stores Ireland Limited*	1 Stokes Place, St Stephen's Green, Dublin 2	Ordinary	100%
WHDL Limited*	183 Eversholt Street, London, NW1 1BU, UK	Ordinary	100%
WHNL Limited*	183 Eversholt Street, London, NW1 1BU, UK	Ordinary	100%
Whistles Stores Spain S.L.*	Paseo De Recoletos Numero 37-41, 1a Planta Madrid 28, Madrid, Spain	Ordinary	100%
Whistles (Hong Kong) Limited*	Unit 1003-05, Seaview Commercial Building, 21 Connaught Road West, Sheung Wan, Hong Kong	Ordinary	50%
Phase Eight (Fashion & Designs) Limited*	55 Kimber Road, London, SW18 4NX, UK	Ordinary	100%
Phase Eight (Germany) Limited*	55 Kimber Road, London, SW18 4NX, UK	Ordinary	100%
Phase Eight (Sweden) Limited*	55 Kimber Road, London, SW18 4NX, UK	Ordinary	100%

14. Related undertakings disclosure (continued)

Name	Registered office address	Class of shares	Holding
Phase Eight Switzerland AG*	First Names Trust (Switzerland) Limited, Am Schanzengraben 25, PO Box 2321, CH-8022 Zurich, Switzerland	Ordinary	100%
Phase Eight (UAE) Limited*	55 Kimber Road, London, SW18 4NX, UK	Ordinary	100%
Phase Eight (Deutschland) Limited*	55 Kimber Road, London, SW18 4NX, UK	Ordinary	100%
Phase Eight (SE Asia) LTD*	55 Kimber Road, London, SW18 4NX, UK	Ordinary	100%
Phase Eight (Australia) Pty Limited*	Level 61, Governor Phillip Tower, 1 Farrer Place, Sydney NSW 2000, Australia	Ordinary	100%
Phase Eight (Belgium) Limited*	55 Kimber Road, London, SW18 4NX, UK	Ordinary	100%
Phase Eight (Canada) Limited*	55 Kimber Road, London, SW18 4NX, UK	Ordinary	100%
TFG London (Concessions) Limited*	55 Kimber Road, London, SW18 4NX, UK	Ordinary	100%
Phase Eight (Norway) Limited*	55 Kimber Road, London, SW18 4NX, UK	Ordinary	100%
Phase Eight (International) Limited*	55 Kimber Road, London, SW18 4NX	Ordinary	100%
Phase Eight Mexico, S.A. de C.V.*	Castillo Miranda Y Compañía, S.C., Paseo de la Reforma 505-31, Torre Mayor, Colonia Cuauhtémoc, CP 06500 México, D.F., México	Ordinary	100%
Phase Eight (Netherlands) B.V.*	van Galenlaan 40, 3941 VD Doorn, the Netherlands	Ordinary	100%
Phase Eight (Hong Kong) Limited*	Unit 1003-05, Seaview Commercial Building, 21 Connaught Road West, Sheung Wan, Hong Kong	Ordinary	50%
Phase Eight (USA) Inc.*	BDO, 100 Park Avenue, New York, NY 10017, USA, 212-885-800	Ordinary	100%
Phase Eight (NY) LLC*	BDO, 100 Park Avenue, New York, NY 10017, USA, 212-885-800	Ordinary	100%
Phase Eight (Japan) Limited*	55 Kimber Road, London, SW18 4NX	Ordinary	100%
Phase Eight (Spain), S.L.*	Paseo De Recoletos Numero 37-41, 1a Planta Madrid 28, Madrid, Spain	Ordinary	100%
Phase Eight (Macau) Limited*	Avenida Doutor Mário Soarea, No. 25 Edifício Montepio, 5 andar Sala 37, Macau	Ordinary	50%
Patsy Seddon Limited*	55 Kimber Road, London, SW18 4NX, UK	Ordinary	100%
Hobbs Fashion Holdings Limited	Milton Gate, 60 Chiswell Street, London, EC1Y 4AG, UK	Ordinary	100%

14. Related undertakings disclosure (continued)

Name	Registered office address	Class of shares	Holding
Hobbs Holdings No.2 Limited*	Milton Gate, 60 Chiswell Street, London, EC1Y 4AG, UK	Ordinary	100%
Hobbs Holdings No.4 Limited*	Milton Gate, 60 Chiswell Street, London, EC1Y 4AG, UK	Ordinary	100%
Hobbs Headco Limited*	Milton Gate, 60 Chiswell Street, London, EC1Y 4AG, UK	Ordinary	100%
Inhoco 2756 Limited*	Milton Gate, 60 Chiswell Street, London, EC1Y 4AG, UK	Ordinary	100%
Hobbs Limited*	Milton Gate, 60 Chiswell Street, London, EC1Y 4AG, UK	Ordinary	100%
Hobbs International SA*	4 Rue de la Presses, 1000 Brussels, Belgium	Ordinary	100%
Hobbs di Inghliterra Srl*	63822 Porto San Gorgio, Italy	Ordinary	100%
Hobbs Retailers Irl Limited*	16/17 College Green, Dublin 2, Ireland	Ordinary	100%
Hobbs London Inc.*	2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, USA	Ordinary	100%
Hobbs East LLC*	2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, USA	Ordinary	100%
Hobbs De GmbH*	Cecilienalee 43, 40474 Dusseldorf, Germany	Ordinary	100%
Hobbs (Hong Kong) Limited*	Unit 1003-05, Seaview Commercial Building, 21 Connaught Road West, Sheung Wan, Hong Kong	Ordinary	50%

*Indirect holding

14. Related undertakings disclosure (continued)

The principal business activities of these subsidiaries are as follows:

Dress Holdco C Limited, Dress Holdco 4 Limited, Whistles Holdings Limited, Whistles Acquisitions Limited, Whistles USA Inc, Poppy Holdco Limited, Cameron Topco Limited, Phase Eight (USA) Inc., Hobbs Fashion Holdings Limited, Hobbs Holdings No.2 Limited, Hobbs Holdings No.4 Limited and Inhoco 2756 Limited are investment holding companies.

Phase Eight (Fashion & Designs) Limited and Hobbs Limited and Whistles Limited design and retail women's fashion clothing.

The following companies retail women's fashion clothing: Phase Eight (Germany) Limited, Phase Eight (Sweden) Limited, Phase Eight Switzerland AG, Phase Eight (UAE) Limited, Phase Eight (Deutschland) Limited, Phase Eight (SE Asia) LTD, Phase Eight (Australia) Pty Limited, Phase Eight (Belgium) Limited, Phase Eight Norway AS, Phase Eight (International) Limited, Phase Eight Mexico, S.A de C.V., Phase Eight (Netherlands) B.V., Phase Eight (Hong Kong) Limited, Phase Eight (NY) LLC, Phase Eight (Japan) Limited, Phase Eight (Spain), S.L., Phase Eight (Canada) Limited and Phase Eight (Macau) Ltd., Hobbs Limited, Hobbs Inghliterra Srl, Hobbs Retailers Irl Limited, Hobbs London Inc., Hobbs East LLC, Hobbs De GmbH, Whistles AG, Whistles USA LLC, Whistles Stores Ireland Limited, WHDL Limited, WHNL Limited, Whistles Stores Spain S.L. and Whistles (Hong Kong) Limited.

Patsy Seddon Limited is dormant.

15. Controlling party

In the opinion of the Directors, the company's ultimate parent company and ultimate controlling party is The Foschini Group Limited, a company incorporated in South Africa.

The parent undertaking of the smallest and largest group, which includes the company and for which group accounts are prepared, is The Foschini Group Limited, a company incorporated in South Africa with registered address Stanley Lewis Centre, 340 Voortrekker Road, Parow East, 7500, Cape Town, South Africa. Copies of the Group financial statements of The Foschini Group Limited are available from www.tfglimited.co.za.

The company's immediate controlling party is Dress Holdco A Limited.

16. Prior year restatement

In February 2020, the group's existing funding arrangement with a consortium of UK based banks ("the consortium") was extended to cover a five-year period. The arrangement provided for a facility of three years and two further periods where the group has the right to request extensions for 12 months each, subject to the approval of the consortium. In October 2022 the first extension was granted by the consortium, extending the facility to February 2024 with no changes to the existing terms as described above.

Subsequent to the extension and on further analysis of the contractual terms of the funding arrangement, the company has revised the classification of the liability previously disclosed as non-current liabilities, to current liabilities, restating the March 2022 financial information as illustrated below. The extension approval took place after year end, which did not give the company the substantive right as at 31 March 2022 to defer repayment beyond 12 months of that date, and in accordance with IAS1 Presentation of Financial Statements (IAS1), this liability should be classified as current in this financial period and in the comparative financial period. The company has classified the liability as current through a restatement thereby complying with IAS1 in line with the financial impacts as detailed below.

This restatement only impacts certain classifications within the Statement of Financial Position and the relevant notes reflecting current and non-current interest bearing debt, and has no impact on the profit or cash flows of the company. The restatement had no impact on the company's income statement, Statement of changes in equity and Statement of cash flows.

In addition to the above, as at the balance sheet date, the company did not have a right to defer payment of certain intragroup borrowings for 12 months beyond the balance sheet date. These circumstances also existed at the end of the prior period. Based on this fact pattern, the liabilities have been reclassified to current liabilities from non-current in both the current and prior year, in order to correct for this error. As of the date of signing, it has been agreed the amounts owed to Parent companies will not be repaid before the next financial year end. This restatement only impacts certain classifications within the Statement of Financial Position and the relevant notes reflecting current and non-current interest bearing debt, and has no impact on the profit or cash flows of the company. The restatement had no impact on the company's income statement, Statement of changes in equity and Statement of cash flows.

Notes to the financial statements

For the year ended 25 March 2023

16. Prior year restatement (continued)

The impact of the restatements on the company's statement of financial position is detailed as follows:

	As at 26 March 2022		
	As previously reported	**Restatement**	**Restated**
	£'000	**£'000**	**£'000**
Current creditors			
Bank loan	-	53,840	53,840
Owed to parent company	-	93,409	93,409
Owed to subsidiaries	98	1,829	1,927
	98	149,078	149,176
Non-current creditors			
Bank loan	53,840	(53,840)	
Owed to parent company	93,409	(93,409)	-
Owed to subsidiaries	1,829	(1,829)	
	149,078	(149,078)	-