

ATTIRE EMEA LIMITED  
FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 2 JUNE 2021

**ATTIRE EMEA LIMITED****BALANCE SHEET  
AS AT 2 JUNE 2021**

	Note	2 June 2021 £	31 May 2020 £
<b>Fixed assets</b>			
Tangible assets	5	14,083	30,882
<b>Current assets</b>			
Stocks		1,326,512	2,156,870
Debtors: amounts falling due within one year	7	552,980	321,899
Cash at bank and in hand		627,316	849,699
		<u>2,506,808</u>	<u>3,328,468</u>
Creditors: amounts falling due within one year	8	(596,277)	(3,317,320)
<b>Net current assets</b>		<u>1,910,531</u>	<u>11,148</u>
<b>Total assets less current liabilities</b>		<u>1,924,614</u>	<u>42,030</u>
Creditors: amounts falling due after more than one year	9	(183,202)	-
<b>Net assets</b>		<u><u>1,741,412</u></u>	<u><u>42,030</u></u>
<b>Capital and reserves</b>			
Called up share capital		3,535,811	3,535,811
Other reserves		2,613,607	-
Profit and loss account		(4,408,006)	(3,493,781)
		<u><u>1,741,412</u></u>	<u><u>42,030</u></u>

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

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

The Company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

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

**R Pollock**

Director

Date: 28 February 2022

The notes on pages 2 to 11 form part of these financial statements.

# ATTIRE EMEA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 JUNE 2021

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### 1. General information

Attire EMEA Limited is a private company limited by shares incorporated in England and Wales. The address of its registered office is 2665 Kings Court, Birmingham Business Park, Birmingham, England, B37 7YE.

The financial statements are presented in Sterling (£).

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The directors have chosen to prepare financial statements for the period ended 2 June 2021 in accordance with FRS 102 Section 1A, having previously prepared financial statements under IFRS. The transition from IFRS to UK GAAP has been made due to a change in ownership of the company from a US parent company to a UK parent company. The date of transition from IFRS to FRS 102 Section 1A is 1 June 2019.

The only material impact on the financial statements resulting from the transition is the reversal of a right of use asset recognised in accordance with IFRS 16 "Leases". The monetary impact on the comparative financial information is a decrease in Fixed Assets of £183,319, a decrease in Creditors of £188,745 and an increase in Retained Earnings of £5,426.

The following principal accounting policies have been applied:

# ATTIRE EMEA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 JUNE 2021

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### 2. Accounting policies (continued)

#### 2.2 Going concern

At 2 June 2021 the Company had net assets of £1,741,412 (2020: £42,030) and held cash at bank totalling £627,316 (2020: £849,699) having made a loss for the period of £914,225 (2020: £1,677,631) including a stock provision of £1,810,641 (2020: £1,487,369). However, the Company's management accounts at 31 January 2022 show a profit for the year to date of £18,284, and net assets of £1,759,696 with a cash holding of £796,940.

The Company was acquired by Attire Holdings Limited on 2 June 2021, and as part of this acquisition the Company has been released from its obligations to settle the balance of an intercompany loan owed to its previous parent company, Cintas Corporation, by way of converting the balance, which totalled £2,613,607 on 2 June 2021, to a capital contribution. This loan represented the Company's largest creditor and the release from the obligation to settle the amount will be a significant boost for the Company's going concern status.

The directors have considered the forecasts of the Company for a period of at least twelve months following the date of approval of these financial statements and they are confident that, along with the cash held at 2 June 2021, the Company will generate turnover and cashflow sufficient to ensure that the Company is able to fund its fixed cost base and day-to-day operational expenses.

After considering the above, and making further enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future, being a period of at least twelve months from the date these financial statements were approved. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

#### 2.3 Foreign currency translation

##### Functional and presentation currency

The Company's functional and presentational currency is Sterling (£).

##### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

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

# ATTIRE EMEA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 JUNE 2021

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### 2. Accounting policies (continued)

#### 2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### **Sale of goods**

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

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 2.5 Operating leases: the Company as lessee

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

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

#### 2.6 Government grants

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

Grants of a revenue nature are recognised in the Profit and Loss Account in the same period as the related expenditure.

#### 2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

# ATTIRE EMEA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 JUNE 2021

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### 2. Accounting policies (continued)

#### 2.8 Pensions

##### Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

#### 2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

Depreciation is provided on the following basis:

Fixtures and fittings	-	33%
Office equipment	-	33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

#### 2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

#### 2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

# ATTIRE EMEA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 JUNE 2021

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### 2. Accounting policies (continued)

#### 2.12 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### 2.13 Financial instruments

The Company has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

The Company's policies for its major classes of financial assets and financial liabilities are set out below.

##### Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances, intercompany working capital balances, and intercompany financing are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

##### Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

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

# **ATTIRE EMEA LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 JUNE 2021**

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### **2. Accounting policies (continued)**

#### **Financial instruments (continued)**

##### **Impairment of financial assets**

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount the company would receive for the asset if it were to be sold at the reporting date.

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

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

##### **Derecognition of financial assets and financial liabilities**

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

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

##### **Offsetting of financial assets and financial liabilities**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.



# ATTIRE EMEA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 JUNE 2021

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

#### Provisions for inventories

Inventories are regularly reviewed to ensure that cost is fully recoverable. Should it be considered that inventories are not fully recoverable then a provision is made to hold inventories at their net realisable value. At 2 June 2021 a provision of £1,810,641 (2020: £1,487,369) had been made against the stock holding.

#### Allowance for doubtful receivables

Trade and other receivables are regularly reviewed to assess recoverability, and a provision is made against those in doubt. At 2 June 2021 a total provision of £89,937 (2020: £155,236) had been made against potential doubtful debts.

### 4. Employees

The average monthly number of employees, including directors, during the period was 14 (2020 -19).

### 5. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>			
At 1 June 2020	45,764	22,940	68,704
At 2 June 2021	45,764	22,940	68,704
<b>Depreciation</b>			
At 1 June 2020	27,839	9,983	37,822
Charge for the period on owned assets	9,229	7,570	16,799
At 2 June 2021	37,068	17,553	54,621
<b>Net book value</b>			
At 2 June 2021	8,696	5,387	14,083
At 31 May 2020	17,925	12,957	30,882

# ATTIRE EMEA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 JUNE 2021

### 6. Stocks

	2 June 2021 £	31 May 2020 £
Finished goods and goods for resale	<u>1,326,512</u>	<u>2,156,870</u>

### 7. Debtors

	2 June 2021 £	31 May 2020 £
Trade debtors	531,908	289,289
Amounts owed by group undertakings	-	1
Other debtors	15,188	3,098
Prepayments and accrued income	5,884	29,511
	<u>552,980</u>	<u>321,899</u>

### 8. Creditors: Amounts falling due within one year

	2 June 2021 £	31 May 2020 £
Trade creditors	136,039	147,329
Amounts owed to group undertakings	-	3,076,703
Other taxation and social security	9,727	18,896
Other creditors	1,463	27,147
Accruals and deferred income	449,048	47,245
	<u>596,277</u>	<u>3,317,320</u>

### 9. Creditors: Amounts falling due after more than one year

	2 June 2021 £	31 May 2020 £
Accruals and deferred income	<u>183,202</u>	<u>-</u>

# ATTIRE EMEA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 JUNE 2021

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### 10. Share capital

	2 June 2021 £	31 May 2020 £
<b>Allotted, called up and fully paid</b>		
3,535,811 (2020 -3,535,811) Ordinary shares of £1.00 each	<u>3,535,811</u>	<u>3,535,811</u>

### 11. Reserves

#### Other reserves

On 2 June 2021 the entire share capital of the Company was acquired by Attire Holdings Limited, a limited company incorporated in England and Wales. Prior to the sale of the Company's shares to Attire Holdings Limited, a loan waiver was signed to release the Company from the obligation to settle the intercompany loan with Cintas Corporation. The balance outstanding of £2,613,607 was converted to a capital contribution on that date which is recognised in other reserves.

### 12. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £13,483 (2020: £21,324). Contributions totalling £1,463 (2020: £3,062) were payable to the fund at the balance sheet date and are included in creditors.

### 13. Commitments under operating leases

At 2 June 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2 June 2021 £	31 May 2020 £
Not later than 1 year	60,000	60,000
Later than 1 year and not later than 5 years	<u>90,000</u>	<u>150,000</u>

### 14. Related party transactions

The Company has taken advantage of the exemption contained in FRS 102 section 33 "Related Party Disclosures" from disclosing transactions with entities which are a wholly-owned part of the group to which the Company belonged, until the change in control referred to in note 15.

# **ATTIRE EMEA LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 JUNE 2021**

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### **15. Controlling party**

The immediate and ultimate parent company at the period end is Attire Holdings Limited, a limited company incorporated in England and Wales. The registered office address is 2665 Kings Court Birmingham Park, Birmingham, England, B37 7YE.

Prior to 2 June 2021 the immediate parent company was Cintas Netherlands B.V., a company incorporated in the Netherlands. The ultimate parent company was Cintas Corporation, a publicly listed company incorporated in the United States.

### **16. Auditor's information**

The auditor's report on the financial statements for the period ended 2 June 2021 was unqualified.

The audit report was signed on 28 February 2022 by Daniel Burke (senior statutory auditor) on behalf of Blick Rothenberg Audit LLP.

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