

Company Registration No 1066321 (England and Wales)

**TURNBULL & ASSER LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 29 JANUARY 2011**



# **TURNBULL & ASSER LIMITED**

## **COMPANY INFORMATION**

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### **Directors**

Mr A Fayed  
Mr J Fayed  
Mr S Miller  
Mr P Price  
Mr S Quin  
Mr N Clifford (Appointed 9 September 2010)

### **Secretary**

E Mulligan

### **Company number**

1066321

### **Registered office**

14 South Street  
London  
W1K 1DF

### **Auditors**

RSM Tenon Audit Limited  
66 Chiltern Street  
London  
W1U 4JT

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# **TURNBULL & ASSER LIMITED**

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# **TURNBULL & ASSER LIMITED**

## **DIRECTORS' REPORT**

**FOR THE PERIOD ENDED 29 JANUARY 2011**

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The directors present their report and financial statements for the period ended 29 January 2011

### **Principal activities and review of the business**

The principal activity of the company is the retail of bespoke shirts and ready to wear premium quality gentlemen's clothing from London premises in Jermyn Street, Bury Street, Old Broad Street and through a concession in the Harrods Department Store. The company also wholesales garments to customers throughout the UK and abroad. Aside from its selling activities the company is also engaged in the manufacture of shirts and ties from its own factories based in the UK.

The company has continued to operate satisfactorily despite the difficult economic climate through a combination of prudent management and successful consolidation of the company's profile at the premium end of the gentlemen's clothing market.

### **Principal risks and uncertainties**

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

### **Key performance indicators**

Given the relatively straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

### **Results and dividends**

The results for the period are set out on page 5.

The results for the group show a pre-tax profit of £1.09 million (52 weeks ended 30 January 2010: £0.29 million). No dividends have been paid for the period (52 weeks ended 30 January 2010: £nil). No final dividend is proposed and the profit has been added to reserves.

### **Financial instruments**

The company's principal financial instruments comprise bank balances, bank overdrafts, bank loans, trade creditors and trade debtors. The main purpose of these instruments is to raise funds to finance the company's operations. Due to the nature of the financial instruments used by the company there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. The company makes use of money market facilities where funds are available. The company manages the liquidity risk by ensuring there are sufficient funds to meet the payments due. Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

### **Future developments**

The external commercial and economic environment remains challenging. However, the company has laid careful and commercial plans to expand their brand presence.

# **TURNBULL & ASSER LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE PERIOD ENDED 29 JANUARY 2011**

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### **The environment**

The company has continued to adopt policies and procedures that take account of the need to preserve and protect the environment. The directors are committed to compliance with environmental best practise in all aspects of the business.

### **Directors**

The following directors have held office since 31 January 2010

Mr A Fayed

Mr J Fayed

Mr S Miller

Mr P Price

Mr S Quin

Mr N Clifford

(Appointed 9 September 2010)

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Directors' 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

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

The directors are 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.

### **Statement of disclosure to auditors**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



E Mulligan

Secretary

28/10/2011

# **TURNBULL & ASSER LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF TURNBULL & ASSER LIMITED**

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We have audited the financial statements of Turnbull & Asser Limited for the period ended 29 January 2011 set out on pages 5 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' 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.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 29 January 2011 and of its profit for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

# TURNBULL & ASSER LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE MEMBERS OF TURNBULL & ASSER LIMITED

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#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

RSM Tenon Audit Ltd

Tony Castagnetti (Senior Statutory Auditor)  
for and on behalf of RSM Tenon Audit Limited

28/10/2011

Statutory Auditor

66 Chiltern Street  
London  
W1U 4JT

# TURNBULL & ASSER LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 29 JANUARY 2011

		52 Weeks ended 29 January 2011 £'000	52 Weeks ended 30 January 2010 £'000
	Notes		
Turnover	2	10,021	9,116
Cost of sales		(3,871)	(3,405)
<b>Gross profit</b>		<b>6,150</b>	<b>5,711</b>
Distribution costs		(205)	(157)
Administrative expenses		(4,882)	(5,285)
Other operating income		67	77
<b>Operating profit</b>	<b>3</b>	<b>1,130</b>	<b>346</b>
Interest receivable and similar income	4	-	2
Interest payable and similar charges	5	(43)	(59)
<b>Profit on ordinary activities before taxation</b>		<b>1,087</b>	<b>289</b>
Tax on profit on ordinary activities	6	(170)	61
<b>Profit for the period</b>	<b>16</b>	<b>917</b>	<b>350</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account



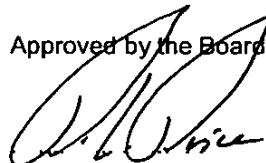
# TURNBULL & ASSER LIMITED

## BALANCE SHEET

AS AT 29 JANUARY 2011

		2011	2010
	Notes	£'000	£'000
<b>Fixed assets</b>			
Tangible assets	7	3,532	3,605
<b>Current assets</b>			
Stocks	9	2,500	2,050
Debtors	10	1,268	1,179
Cash at bank and in hand		316	658
		4,084	3,887
<b>Creditors: amounts falling due within one year</b>	11	(1,379)	(1,522)
<b>Net current assets</b>		2,705	2,365
<b>Total assets less current liabilities</b>		6,237	5,970
<b>Creditors: amounts falling due after more than one year</b>	12	-	(650)
		6,237	5,320
<b>Capital and reserves</b>			
Called up share capital	15	2,450	2,450
Other reserves	16	30	30
Profit and loss account	16	3,757	2,840
<b>Shareholders' funds</b>	17	6,237	5,320

Approved by the Board and authorised for issue on 28th October 2011



Mr P Price  
Director

Company Registration No. 1066321

# TURNBULL & ASSER LIMITED

## CASH FLOW STATEMENT

FOR THE PERIOD ENDED 29 JANUARY 2011

		52 Weeks ended 29 January 2011 £'000	52 Weeks ended 30 January 2010 £'000
<b>Net cash inflow from operating activities</b>		818	734
<b>Returns on investments and servicing of finance</b>			
Interest received	-	2	
Interest paid	(43)	(59)	
<b>Net cash outflow for returns on investments and servicing of finance</b>		(43)	(57)
<b>Taxation</b>		(23)	-
<b>Capital expenditure</b>			
Payments to acquire tangible assets	(244)	(183)	
<b>Net cash outflow for capital expenditure</b>		(244)	(183)
<b>Net cash inflow before management of liquid resources and financing</b>		508	494
<b>Financing</b>			
Repayment of long term bank loan	(850)	(150)	
<b>Net cash outflow from financing</b>		(850)	(150)
<b>(Decrease)/increase in cash in the period</b>		(342)	344

# TURNBULL & ASSER LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE PERIOD ENDED 29 JANUARY 2011

1	Reconciliation of operating profit to net cash inflow from operating activities			2011	2010
				£'000	£'000
	Operating profit			1,130	346
	Depreciation of tangible assets			317	273
	Increase in stocks			(450)	(6)
	Increase in debtors			(240)	(147)
	Increase in creditors within one year			61	268
	Net cash inflow from operating activities			818	734
2	Analysis of net funds/(debt)	31 January 2010	Cash flow	Other non-cash changes	29 January 2011
		£'000	£'000	£'000	£'000
	Net cash				
	Cash at bank and in hand	658	(342)	-	316
	Debts falling due within one year	(200)	200	-	-
	Debts falling due after one year	(650)	650	-	-
	Net (debt)/funds	(192)	508	-	316
3	Reconciliation of net cash flow to movement in net funds/(debt)			2011	2010
				£'000	£'000
	(Decrease)/increase in cash in the period			(342)	344
	Cash outflow from decrease in debt			850	150
	Movement in net funds/(debt) in the period			508	494
	Opening net debt			(192)	(686)
	Closing net funds/(debt)			316	(192)

# **TURNBULL & ASSER LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE PERIOD ENDED 29 JANUARY 2011**

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### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention

The directors have considered the outlook for the foreseeable future and consider it appropriate to adopt the going basis in the preparation of the financial statements

#### **1.2 Compliance with accounting standards**

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

#### **1.3 Turnover**

Turnover represents amounts receivable for the sale of goods to customers and concession commissions net of VAT and trade discounts

#### **1.4 Tangible fixed assets and depreciation**

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Freehold land and buildings	Straight line over 50 years
Long leasehold land and buildings	Over the period of the lease
Fixtures and fittings	Straight line over 3 - 10 years

#### **1.5 Leasing**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

#### **1.6 Stock and work in progress**

Stock and work in progress are valued at the lower of cost calculated on a weighted average basis and net realisable value

# **TURNBULL & ASSER LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE PERIOD ENDED 29 JANUARY 2011**

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### **1 Accounting policies**

**(continued)**

#### **1.7 Pensions**

##### **Defined contribution scheme**

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the period they are payable.

##### **Defined benefit scheme**

The company was a member of the Harrods Holdings Group Pension Plan during the year under which retirement benefits were funded by contributions from the company and employees. Payment was made to the pension trust, which was separate from the company and the Harrods Holdings Group, in accordance with calculations made periodically by consulting actuaries (see note 14).

The assets of the pension scheme were held and administered by trustees appointed under the scheme's rules as a single scheme. As there was more than one employer participating in the scheme, the company was unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. In accordance with the provisions of FRS 17 'Retirement Benefits', the company accounts for pension contributions as if its section of the Group scheme were a defined contribution scheme because they were within a multi-employer scheme. Therefore, the pension costs charged against operating profits were the contributions payable to the scheme in respect of the accounting period.

#### **1.8 Deferred taxation**

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

#### **1.9 Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

# TURNBULL & ASSER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 29 JANUARY 2011

### 2 Turnover

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the United Kingdom

#### Segmental analysis by geographical area

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

	2011 £'000	2010 £'000
United Kingdom	6,482	6,486
United States	2,049	1,590
Continental Europe	909	593
Japan	187	164
Other	394	283
	<u>10,021</u>	<u>9,116</u>

All operations are based in the United Kingdom

### 3 Operating profit

	2011 £'000	2010 £'000
Operating profit is stated after charging		
Depreciation of tangible assets	317	273
Loss on foreign exchange transactions	2	-
Operating lease rentals		
- Plant and machinery	39	51
- Other assets	469	475
and after crediting		
Profit on foreign exchange transactions	<u>-</u>	<u>(2)</u>

#### Auditors' remuneration

Fees payable to the company's auditor for the audit of the company's annual accounts  
Taxation services

18	18
<u>2</u>	<u>2</u>
<u>20</u>	<u>20</u>

# TURNBULL & ASSER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 29 JANUARY 2011

<b>4</b>	<b>Investment income</b>	<b>2011</b>	<b>2010</b>
		<b>£'000</b>	<b>£'000</b>
	Other interest	-	2
<b>5</b>	<b>Interest payable</b>	<b>2011</b>	<b>2010</b>
		<b>£'000</b>	<b>£'000</b>
	On bank loans and overdrafts	43	59
<b>6</b>	<b>Taxation</b>	<b>2011</b>	<b>2010</b>
		<b>£'000</b>	<b>£'000</b>
	<b>Domestic current year tax</b>		
	U K corporation tax	18	22
	<b>Total current tax</b>	<b>18</b>	<b>22</b>
	<b>Deferred tax</b>		
	Deferred tax charge/credit current year	152	(83)
		170	(61)
	<b>Factors affecting the tax charge for the period</b>		
	Profit on ordinary activities before taxation	1,087	289
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2010 - 28.00%)	304	81
	Effects of:		
	Non deductible expenses	8	-
	Decelerated capital allowances and depreciation	28	(9)
	Tax losses utilised	(321)	(54)
	Provisions tax adjustment	(1)	4
		(286)	(59)
	<b>Current tax charge for the period</b>	<b>18</b>	<b>22</b>

# TURNBULL & ASSER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 29 JANUARY 2011

### 7 Tangible fixed assets

	Freehold land and buildings	Long leasehold land and buildings	Fixtures and fittings	Total
	£'000	£'000	£'000	£'000
<b>Cost</b>				
At 31 January 2010	978	1,696	4,090	6,764
Additions	-	-	244	244
Disposals	(2)	-	(449)	(451)
At 29 January 2011	976	1,696	3,885	6,557
<b>Depreciation</b>				
At 31 January 2010	81	217	2,861	3,159
On disposals	(2)	-	(449)	(451)
Charge for the period	11	32	274	317
At 29 January 2011	90	249	2,686	3,025
<b>Net book value</b>				
At 29 January 2011	886	1,447	1,199	3,532
At 30 January 2010	897	1,479	1,229	3,605



# TURNBULL & ASSER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 29 JANUARY 2011

### 8 Fixed asset investments

	Shares in subsidiary undertakings £'000
<b>Cost</b>	
At 31 January 2010	31
Disposals	(31)
	<hr/>
At 29 January 2011	-
	<hr/>
<b>Provisions for diminution in value</b>	
At 31 January 2010	31
On disposals	(31)
	<hr/>
At 29 January 2011	-
	<hr/>
<b>Net book value</b>	
At 29 January 2011	-
	<hr/>
At 30 January 2010	-
	<hr/>

9 Stocks and work in progress	2011 £'000	2010 £'000
Raw materials and consumables	339	427
Work in progress	95	104
Finished goods and goods for resale	2,066	1,519
	<hr/>	<hr/>
	2,500	2,050
	<hr/>	<hr/>

# TURNBULL & ASSER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 29 JANUARY 2011

<b>10 Debtors</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
Trade debtors	916	695
Other debtors	94	35
Prepayments and accrued income	195	235
Deferred tax asset (see note 13)	63	214
	<u>1,268</u>	<u>1,179</u>
<b>11 Creditors, amounts falling due within one year</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
Bank loans and overdrafts	-	200
Trade creditors	187	283
Corporation tax	18	22
Taxes and social security costs	303	257
Other creditors	17	17
Accruals and deferred income	854	743
	<u>1,379</u>	<u>1,522</u>
<b>12 Creditors: amounts falling due after more than one year</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
Bank loans	-	650
<b>Analysis of loans</b>		
Wholly repayable within five years	-	850
	-	850
Included in current liabilities	-	(200)
	-	650
<b>Loan maturity analysis</b>		
In more than one year but not more than two years	-	200
In more than two years but not more than five years	-	450

# TURNBULL & ASSER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE PERIOD ENDED 29 JANUARY 2011**

### 13 Provisions for liabilities

The deferred tax asset (included in debtors, note 10) is made up as follows:

	2011 £'000	
Balance at 31 January 2010	(214)	
Profit and loss account	151	
	<hr/>	
Balance at 29 January 2011	(63)	
	<hr/>	
	2011 £'000	2010 £'000
Accelerated capital allowances	68	249
Other timing differences	(18)	(20)
Tax losses available	(113)	(443)
	<hr/>	<hr/>
	(63)	(214)
	<hr/>	<hr/>

# TURNBULL & ASSER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 29 JANUARY 2011

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#### 14 Pension and other post-retirement benefit commitments

During the year the company has operated three schemes

- (i) the Harrods Retirement Savings Plan ("the Scheme" until 31 October 2010), which was an approved defined contribution scheme, it was established in April 2006 and was provided and managed by Fidelity International
- (ii) The Harrods Holdings Group Pension Plan ("the Plan"), which was an approved defined benefit scheme
- (iii) The Turnbull & Asser Company Pension Plan ("the Scheme" from 1 November 2010), which is an approved defined contribution scheme, it is provided by Scottish Widows and managed by SP Financial Management

#### Stakeholder Scheme ("the Schemes")

The pension cost under the defined contribution schemes amounted to £109k (2010 £99k). A pension accrual of £13k (2010 £13k) is included in the balance sheet in relation to the Turnbull & Asser Company Pension Plan.

#### Defined Benefit Pension Scheme ("the Plan")

The employer closed the Plan to future accrual with the following changes taking place as of 5 April 2006:

- (i) the Plan was closed to all existing members and all new employees with the effect that members will not accrue future pension benefits under the Plan,
- (ii) the existing accrued pension benefit of members was protected and preserved at its existing level as at 5 April 2006 and will be revalued until retirement as if the members had left the Group,
- (iii) a new defined contribution pension scheme, the Harrods Retirement Savings Plan, was introduced with effect from 5 April 2006.

On 7 May 2010, following the sale of Harrods Limited, Turnbull & Asser Limited ceased to participate in the Plan, as detailed above. Consequently the Trustees calculated the debt attributable to Turnbull & Asser Limited as £4.365 million, effectively extinguishing its liability to the Plan. However, as part of the sale agreement with the new owners, Turnbull & Asser Limited were compensated for this amount resulting in no net liability or cost to the company.

# TURNBULL & ASSER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 29 JANUARY 2011

15 Share capital	2011 £'000	2010 £'000
<b>Allotted, called up and fully paid</b>		
8,500,000 Ordinary shares of US\$0.00001 each	-	-
245,000,000 Ordinary shares of £0.10 each	2,450	2,450
	<u>2,450</u>	<u>2,450</u>

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

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

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

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

## 16 Statement of movements on reserves

	Other reserves (see below) £'000	Profit and loss account £'000
Balance at 31 January 2010	30	2,840
Profit for the period	-	917
Balance at 29 January 2011	<u>30</u>	<u>3,757</u>
<b>Other reserves</b>		
<b>Capital redemption reserve</b>		
Balance at 31 January 2010 & at 29 January 2011	<u>30</u>	

17 Reconciliation of movements in shareholders' funds	2011 £'000	2010 £'000
Profit for the financial period	917	350
Opening shareholders' funds	5,320	4,970
Closing shareholders' funds	<u>6,237</u>	<u>5,320</u>

# TURNBULL & ASSER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 29 JANUARY 2011

### 18 Financial commitments

At 29 January 2011 the company was committed to making the following payments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Operating leases which expire				
Within one year	2	-	75	31
Between two and five years	107	108	13	41
In over five years	393	393	-	7
	<u>502</u>	<u>501</u>	<u>88</u>	<u>79</u>

### 19 Directors' remuneration

	2011	2010
	£'000	£'000
Remuneration for qualifying services	250	248
Company pension contributions to defined contribution schemes	15	8
	<u>265</u>	<u>256</u>

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to 1 (2010 - 1)

Remuneration disclosed above include the following amounts paid to the highest paid director

Remuneration for qualifying services	94	91
Company pension contributions to defined contribution schemes	<u>9</u>	<u>2</u>

# TURNBULL & ASSER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 29 JANUARY 2011

### 20 Employees

#### Number of employees

The average monthly number of employees (including directors) during the period was

	2011 Number	2010 Number
Retail	28	25
Production	80	84
Administration	33	30
	<u>141</u>	<u>139</u>

#### Employment costs

	2011 £'000	2010 £'000
Wages and salaries	3,176	2,958
Social security costs	294	282
Other pension costs		
- normal	109	103
- exceptional (deficit contribution)	82	823
	<u>3,661</u>	<u>4,166</u>

### 21 Control

The ultimate controlling party is Mr A Fayed

# **TURNBULL & ASSER LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### ***FOR THE PERIOD ENDED 29 JANUARY 2011***

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#### **22 Related party relationships and transactions**

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

During the year the company made sales of £1.09 million (2010 £0.76 million) and received licence fee income of £0.07 million (2010 £0.07 million) from Turnbull & Asser LLC. At the year end the company was owed £0.42 million (2010 £0.28 million) by Turnbull & Asser LLC.

Mr A Fayed disposed of his beneficial interest in the Harrods Group on 7 May 2010. During the period up to 7 May 2010 the company made sales of £0.32 million (2010 £1.57 million) to companies in the Harrods Group. The company was also charged operating expenses of £0.18 million (2010 £1.31 million) by companies in the Harrods Group.

During the year the company was charged operating expenses of £0.13 million (2010 £0.13 million) by Genavco Insurance Limited.

During the year the company was charged operating expenses of £0.03 million (2010 £0.03 million) by Hyde Park Residence Limited. The company also purchased fixed assets from Hyde Park Residence Limited for £0.06 million (2010 £Nil).

During the year the company also traded with Bespoken Inc, a company in which Mr A Fayed's son is a director. The company was charged operating expenses of £0.05 million (2010 £0.03 million). At the year end the company was owed £0.09 million (2010 £0.01 million) by Bespoken Inc.