

Company Registration No. 1066321 (England and Wales)

TURNBULL & ASSER LIMITED
ANNUAL REPORT
FOR THE PERIOD ENDED 30 JANUARY 2010



TURNBULL & ASSER LIMITED

DIRECTORS AND ADVISERS

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

Registered auditors

RSM Tenon Audit Limited
66 Wigmore Street
London
W1U 2SB

TURNBULL & ASSER LIMITED

CONTENTS

	Page
Directors' report	1 - 3
Independent auditors' report	4 - 5
Consolidated profit and loss account	6
Balance sheets	7
Consolidated cash flow statement	8
Notes to the consolidated cash flow statement	9
Notes to the financial statements	10 - 24

TURNBULL & ASSER LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 30 JANUARY 2010

The directors present their report and financial statements for the period ended 30 January 2010

Directors

The following directors have held office since 1 February 2009

Mr A Fayed

Mr J Fayed

Mr S Miller

Mr P Price

Mr S Quin

Mr N Clifford

(Appointed 9 September 2010)

Principal activities and review of the business

The principal activity of the group 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 group also wholesales garments to customers throughout the UK and abroad. Aside from its selling activities the group is also engaged in the manufacture of shirts and ties from its own factories based in the UK.

The group has continued to operate satisfactorily despite the difficult economic climate through a combination of prudent management and successful consolidation of the group'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 group's business strategy are subject to a number of risks. The key business risks and uncertainties affecting the group 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 group'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 group'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 consolidated profit and loss account for the period is set out on page 6.

The results for the group show a pre-tax profit of £0.28 million (52 weeks ended 31 January 2009: £0.02 million pre-tax loss). No dividends have been paid for the period (52 weeks ended 31 January 2009: £nil). No final dividend is proposed and the profit has been added to reserves.

TURNBULL & ASSER LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 30 JANUARY 2010

Financial instruments

The group'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 for the group's operations and to finance the group's operations. Due to the nature of the financial instruments used by the group there is no exposure to price risk. The group'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 group makes use of money market facilities where funds are available. In respect of loans, these comprise loans from financial institutions. The interest rate on the loans from financial institutions is variable but the monthly repayments are fixed. The group 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 group has laid careful and commercial plans to expand their brand presence.

The Environment

The group 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.

TURNBULL & ASSER LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 30 JANUARY 2010

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 group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

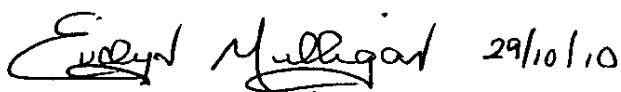
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group 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 group'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 group's auditors are aware of that information.

By order of the board

Handwritten signature of E. Mulligan in black ink, followed by the date 29/10/10.

E Mulligan
Secretary

TURNBULL & ASSER LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TURNBULL & ASSER LIMITED

We have audited the group and parent company financial statements (the "financial statements") of Turnbull & Asser Limited for the period ended 30 January 2010 set out on pages 6 to 24. 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 - 3, 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 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 group's and 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.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 30 January 2010 and of the group's 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

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 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

RSM Tenon Audit Limited

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

29/10/2010

Statutory Auditor

66 Wigmore Street
London
W1U 2SB

TURNBULL & ASSER LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 30 JANUARY 2010

		52 Weeks ended 30 January 2010 £'000	52 Weeks ended 31 January 2009 £'000
	Notes		
Turnover	2	9,116	8,298
Cost of sales		(3,405)	(3,432)
Gross profit		5,711	4,866
Distribution costs		(157)	(134)
Administrative expenses		(5,290)	(4,797)
Other operating income		77	72
Operating profit	3	341	7
Interest receivable and similar income		2	17
Interest payable and similar charges	4	(59)	(47)
Profit/(loss) on ordinary activities before taxation		284	(23)
Tax on profit/(loss) on ordinary activities	5	61	51
Profit on ordinary activities after taxation		345	28

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

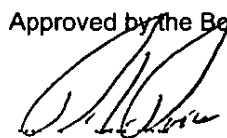
BALANCE SHEETS

AS AT 30 JANUARY 2010

	Notes	Group 2010 £'000	2009 £'000	Company 2010 £'000	2009 £'000
Fixed assets					
Tangible assets	7	3,605	3,695	3,605	3,695
		<u>3,605</u>	<u>3,695</u>	<u>3,605</u>	<u>3,695</u>
Current assets					
Stocks	9	2,050	2,044	2,050	2,044
Debtors	10	1,173	937	1,179	949
Cash at bank and in hand		658	325	658	314
		<u>3,881</u>	<u>3,306</u>	<u>3,887</u>	<u>3,307</u>
Creditors amounts falling due within one year	11	(1,522)	(1,182)	(1,522)	(1,182)
Net current assets		<u>2,359</u>	<u>2,124</u>	<u>2,365</u>	<u>2,125</u>
Total assets less current liabilities		<u>5,964</u>	<u>5,819</u>	<u>5,970</u>	<u>5,820</u>
Creditors amounts falling due after more than one year	12	(650)	(850)	(650)	(850)
		<u>5,314</u>	<u>4,969</u>	<u>5,320</u>	<u>4,970</u>
Capital and reserves					
Called up share capital	15	2,450	2,450	2,450	2,450
Other reserves	16	30	30	30	30
Profit and loss account	16	2,834	2,489	2,840	2,490
Shareholders' funds	17	<u>5,314</u>	<u>4,969</u>	<u>5,320</u>	<u>4,970</u>

Approved by the Board and authorised for issue on

29th October 2010



Mr P Price
Director

Company Registration No. 1066321

TURNBULL & ASSER LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 JANUARY 2010

		52 Weeks ended 30 January 2010 £'000		52 Weeks ended 31 January 2009 £'000
Net cash inflow from operating activities		723		169
Returns on investments and servicing of finance				
Interest received	2		17	
Interest paid	(59)		(47)	
Net cash outflow for returns on investments and servicing of finance		(57)		(30)
Capital expenditure				
Payments to acquire tangible assets	(183)		(950)	
Receipts from sales of tangible assets	-		2	
Net cash outflow for capital expenditure		(183)		(948)
Net cash inflow/(outflow) before management of liquid resources and financing		483		(809)
Financing				
New long term bank loan	-		1,000	
Repayment of long term bank loan	(150)		-	
Net cash (outflow)/inflow from financing		(150)		1,000
Increase in cash in the period		333		191

TURNBULL & ASSER LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 JANUARY 2010

1	Reconciliation of operating profit to net cash inflow from operating activities	2010	2009
		£'000	£'000
	Operating profit	341	7
	Depreciation of tangible assets	273	238
	Loss on disposal of tangible assets	-	124
	Increase in stocks	(6)	(427)
	(Increase)/decrease in debtors	(153)	150
	Increase in creditors within one year	268	77
	Net cash inflow from operating activities	723	169

2	Analysis of net debt	1 February 2009	Cash flow	Other non-cash changes	30 January 2010
		£'000	£'000	£'000	£'000
	Net cash				
	Cash at bank and in hand	325	333	-	658
	Debts falling due within one year	(150)	150	(200)	(200)
	Debts falling due after one year	(850)	-	200	(650)
		(1,000)	150	-	(850)
	Net debt	(675)	483	-	(192)

3	Reconciliation of net cash flow to movement in net debt	2010	2009
		£'000	£'000
	Increase in cash in the period	333	191
	Cash outflow/(inflow) from decrease/(increase) in debt	150	(1,000)
	Movement in net debt in the period	483	(809)
	Opening net (debt)/funds	(675)	134
	Closing net debt	(192)	(675)

TURNBULL & ASSER LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JANUARY 2010

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

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 Basis of consolidation

These consolidated accounts include the results of the company and its subsidiary companies for the period to the nearest Saturday to 31 January. In the current financial period this represents the 52 weeks ended 30 January 2010. All of the subsidiary undertakings are dormant and consequently the results of the group reflect those of the company.

1.4 Turnover

Turnover represents amounts receivable for goods sold to customers and concession commission receivable net of VAT and trade discounts.

1.5 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

1.6 Leasing

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

1.7 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.8 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 CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JANUARY 2010

1 Accounting policies

(continued)

1.9 Pensions

Defined contribution scheme

The group 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 group is a member of the Harrods Holdings Group Pension Plan under which retirement benefits are funded by contributions from the group and employees. Payment is made to the pension trust, which is separate from the group and the Harrods Holdings Group, in accordance with calculations made periodically by consulting actuaries.

The assets of the pension scheme are held and administered by trustees appointed under the scheme's rules as a single scheme. As there is more than one employer participating in the scheme the group is 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 the group accounts for pension contributions as if its section of the group scheme were a defined contribution scheme because they are within a multi-employer scheme. Therefore the pension costs charged against operating profits are the contributions payable to the scheme in respect of the accounting period.

1.10 Deferred taxation

Where material, deferred tax is provided in full, as required by FRS 19 - Deferred Tax, in respect of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is not discounted.

1.11 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 CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JANUARY 2010

2 Turnover

The total turnover of the group for the period has been derived from its principal activity

Segmental analysis by geographical area

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

	2010 £'000	2009 £'000
Geographical segment		
United Kingdom	6,486	6,209
United States	1,590	1,227
Continental Europe	593	713
Japan	164	65
Other	283	84
	<u>9,116</u>	<u>8,298</u>

All operations are based in the United Kingdom

3 Operating profit

	2010 £'000	2009 £'000
Operating profit is stated after charging		
Depreciation of tangible assets	273	238
Loss on disposal of tangible assets	-	124
Operating lease rentals		
- Plant and machinery	51	48
- Other assets	475	398
Pension deficit contribution	823	304
and after crediting		
Profit on foreign exchange transactions	<u>(2)</u>	<u>(3)</u>

Auditors' remuneration

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

18	17
<u>2</u>	<u>2</u>
<u>20</u>	<u>19</u>

TURNBULL & ASSER LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JANUARY 2010

4	Interest payable	2010	2009
		£'000	£'000
	On bank loans and overdrafts	59	47
		<u>59</u>	<u>47</u>
5	Taxation	2010	2009
		£'000	£'000
	Domestic current year tax		
	U K corporation tax	22	-
		<u>22</u>	<u>-</u>
	Current tax charge	22	-
	Deferred tax		
	Deferred tax credit current period	(83)	(51)
		<u>(83)</u>	<u>(51)</u>
		(61)	(51)
		<u>(61)</u>	<u>(51)</u>
	Factors affecting the tax charge for the period		
	Profit/(loss) on ordinary activities before taxation	284	(23)
		<u>284</u>	<u>(23)</u>
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2009 - 28.00%)	80	(6)
		<u>80</u>	<u>(6)</u>
	Effects of		
	Non deductible expenses	-	1
	Depreciation add back and capital allowances	(8)	17
	Tax losses (utilised)/carried forward	(54)	133
	Provisions tax adjustments	4	(145)
		<u>(58)</u>	<u>6</u>
	Current tax charge	22	-
		<u>22</u>	<u>-</u>
6	Profit for the financial period		
	As permitted by section 408 of the Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial period is made up as follows		
		2010	2009
		£'000	£'000
	Holding company's profit for the financial period	350	28
		<u>350</u>	<u>28</u>

TURNBULL & ASSER LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JANUARY 2010

7 Tangible fixed assets Group and company

	Freehold land and buildings	Long leasehold land and buildings	Fixtures and fittings	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 February 2009	984	1,696	4,167	6,847
Additions	-	-	183	183
Disposals	(6)	-	(260)	(266)
At 30 January 2010	978	1,696	4,090	6,764
Depreciation				
At 1 February 2009	76	185	2,891	3,152
On disposals	(6)	-	(260)	(266)
Charge for the period	11	32	230	273
At 30 January 2010	81	217	2,861	3,159
Net book value				
At 30 January 2010	897	1,479	1,229	3,605
At 31 January 2009	908	1,511	1,276	3,695

TURNBULL & ASSER LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JANUARY 2010

8 Fixed asset investments

Company

	Shares in group undertakings £'000
Cost	
At 1 February 2009 & at 30 January 2010	31
Provisions for diminution in value	
At 1 February 2009 & at 30 January 2010	31
Net book value	
At 30 January 2010 & at 31 January 2009	-

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Turnbull & Asser (Ontario) Limited	Canada	Ordinary	100

The principal activity of these undertakings for the last relevant financial year was as follows

	Principal activity
Turnbull & Asser (Ontario) Limited	Dormant

9 Stocks and work in progress

	Group		Company	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Raw materials and consumables	427	358	427	358
Work in progress	104	98	104	98
Finished goods and goods for resale	1,519	1,588	1,519	1,588
	<u>2,050</u>	<u>2,044</u>	<u>2,050</u>	<u>2,044</u>

TURNBULL & ASSER LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JANUARY 2010

10 Debtors

	Group		Company	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Trade debtors	695	629	695	629
Amounts owed by group undertakings	-	-	-	11
Other debtors	29	44	35	45
Prepayments and accrued income	235	133	235	133
Deferred tax asset (see note 13)	214	131	214	131
	<u>1,173</u>	<u>937</u>	<u>1,179</u>	<u>949</u>

11 Creditors . amounts falling due within one year

	Group		Company	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Bank loans and overdrafts	200	150	200	150
Trade creditors	283	84	283	84
Corporation tax	22	-	22	-
Taxes and social security costs	257	245	257	245
Other creditors	17	4	17	4
Accruals and deferred income	743	699	743	699
	<u>1,522</u>	<u>1,182</u>	<u>1,522</u>	<u>1,182</u>

The bank loan is secured by way of a fixed and floating charge over the assets of the company

TURNBULL & ASSER LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JANUARY 2010

12 Creditors - amounts falling due after more than one year

	Group 2010 £'000	2009 £'000	Company 2010 £'000	2009 £'000
Bank loans	650	850	650	850
Analysis of loans				
Wholly repayable within five years	850	1,000	850	1,000
Included in current liabilities	(200)	(150)	(200)	(150)
	650	850	650	850
Loan maturity analysis				
In more than one year but not more than two years	200	200	200	200
In more than two years but not more than five years	450	650	450	650

13 Provisions for liabilities

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

	Group 2010 £'000	Company 2010 £'000
Balance at 1 February 2009	(131)	(131)
Profit and loss account	(83)	(83)
Balance at 30 January 2010	(214)	(214)

	Group 2010 £'000	2009 £'000	Company 2010 £'000	2009 £'000
Accelerated capital allowances	249	21	249	21
Other timing differences	(20)	(47)	(20)	(47)
Tax losses available	(443)	(105)	(443)	(105)
	(214)	(131)	(214)	(131)

TURNBULL & ASSER LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JANUARY 2010

14 Pension and other post-retirement benefit commitments

During the period the Group has principally operated two schemes

- (i) the Harrods Retirement Savings Plans ("the Stakeholder Scheme"), which is an approved defined contribution scheme, managed by Fidelity International
- (ii) The Harrods Group Pension Plan ("the Plan"), which is an approved defined benefit scheme

Stakeholder Scheme

The pension cost under the defined contribution scheme amounted to £99k (2009 £106k). A pension accrual of £13k (2009 £nil) is included in the balance sheet in relation to this scheme.

Defined Benefit Pension Scheme ("the Plan")

The employer has 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 could 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.

An actuarial valuation of the Plan as at 5 April 2009 on a Scheme Specific Funding basis was carried out by the Scheme Actuary. The deficit on this basis was £103.0 million at that date. At that time the amended contributions, in order for the Plan to be fully funded by 31 January 2014, were agreed as follows:

- (i) contributions totaling £14.0m per annum with effect from 31 January 2010,
- (ii) contributions totaling an estimated £0.7m per annum to fund administrative expenses of the Plan, with effect from 31 January 2010,
- (iii) contributions estimated at £0.3m to fund the Pension Protection Fund levy and other such pension scheme levies as are payable by the employers and Trustee under the terms of the Pension Schemes Act 1993 and the Pensions Act 2004, and
- (iv) recognising the risks inherent in the performance of the financial markets during the five year deficit correction period, the principal employer has also agreed to fund any deficits outside an agreed tolerance band during this period.

TURNBULL & ASSER LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JANUARY 2010

14 Pension costs

(continued)

During the period ended 30 January 2010, the participating employers made total contributions to the plan of £31.4m (2009 £11.4m), including all payments under an agreement entered into with the scheme Trustees in 2009 to make an additional lump sum payment into the fund.

The funding position of the Plan is monitored by the Trustee and the Harrods Group on a quarterly basis and formally reviewed at each triennial actuarial valuation, or more frequently as required by the Pensions Act 2004.

Mercer, the new actuaries and administrators to the Plan, as appointed by the Pension Trustees in 2008, carried out a valuation of the Plan's assets and liabilities. The FRS17 'Retirement Benefits' liabilities of the Plan as at 30 January 2010 were obtained by projecting forward the FRS17 liabilities as at 1 February 2009.

For the period ended 30 January 2010, the Harrods Group has applied the amendment to FRS17 which is effective for accounting periods commencing on or after 6 April 2007. Using these results the market value of the assets of the Plan was £348.0 million (2009 £277.5 million). The actuarial deficit was £17.8million (2009 £12.6million).

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 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 will be compensated for this amount resulting in no net liability/cost to the group.

TURNBULL & ASSER LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JANUARY 2010

15 Share capital	2010 £	2009 £
Authorised		
8.5 million Ordinary shares of US \$0.00001 each	55	55
26.3 million Ordinary shares of £0.10 each	2,630,200	2,630,200
	<u>2,630,255</u>	<u>2,630,255</u>
Allotted, called up and fully paid		
8.5 million Ordinary shares of US \$0.00001 each	55	55
24.5 million Ordinary shares of £0.10 each	2,450,000	2,450,000
	<u>2,450,055</u>	<u>2,450,055</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.

TURNBULL & ASSER LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JANUARY 2010

16 Statement of movements on reserves Group

	Other reserves (see below) £'000	Profit and loss account £'000
Balance at 1 February 2009	30	2,489
Profit for the period	-	345
Balance at 30 January 2010	30	2,834

Other reserves

Capital redemption reserve

Balance at 1 February 2009 & at 30 January 2010

30

Company

	Other reserves (see below) £'000	Profit and loss account £'000
Balance at 1 February 2009	30	2,490
Profit for the period	-	350
Balance at 30 January 2010	30	2,840

Other reserves

Capital redemption reserve

Balance at 1 February 2009 & at 30 January 2010

30

TURNBULL & ASSER LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JANUARY 2010

17 Reconciliation of movements in shareholders' funds	2010	2009
Group	£'000	£'000
Profit for the financial period	345	28
Opening shareholders' funds	4,969	4,941
	<hr/>	<hr/>
Closing shareholders' funds	5,314	4,969
	<hr/>	<hr/>
 Company	 2010	 2009
	£'000	£'000
Profit for the financial period	350	28
Opening shareholders' funds	4,970	4,942
	<hr/>	<hr/>
Closing shareholders' funds	5,320	4,970
	<hr/>	<hr/>

18 Financial commitments Group and company

At 30 January 2010 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Expiry date				
Within one year	-	12	31	32
Between two and five years	108	107	41	2
In over five years	393	407	7	6
	<hr/>	<hr/>	<hr/>	<hr/>
	501	526	79	40
	<hr/>	<hr/>	<hr/>	<hr/>

TURNBULL & ASSER LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JANUARY 2010

19 Directors' emoluments	2010 £'000	2009 £'000
Emoluments for qualifying services	248	240
Company pension contributions	8	5
	<u>256</u>	<u>245</u>

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to 1 (2009 1)

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

Emoluments for qualifying services	<u>91</u>	<u>90</u>
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20 Employees

Number of employees

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

	2010 Number	2009 Number
Retail	25	24
Production	84	103
Administration	30	29
	<u>139</u>	<u>156</u>

Employment costs	2010 £'000	2009 £'000
Wages and salaries	2,958	3,075
Social security costs	282	302
Other pension costs		
- normal	103	111
- exceptional (deficit contribution)	823	304
	<u>4,166</u>	<u>3,792</u>

21 Control

The company and group are controlled by Mr A Fayed

TURNBULL & ASSER LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JANUARY 2010

22 Related party transactions

Group and company

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

During the period the company made sales of £0.76 million (2009: £0.75 million) and received licence fee income of £0.07 million (2009: £0.07 million) from Turnbull & Asser LLC. At the period end the company was owed £0.28 million (2009: £0.26 million) by Turnbull & Asser LLC.

During the period the company made sales of £1.57 million (2009: £1.47 million) to companies in the Harrods Group. The company was also charged operating expenses of £1.31 million (2009: £0.74 million) by companies in the Harrods Group. At the period end the company was owed £0.14 million (2009: £0.18 million) by companies in the Harrods Group.

During the period the company was charged operating expenses of £0.13 million (2009: £0.13 million) by Genavco Insurance Limited.

During the period the company was charged operating expenses of £0.03 million (2009: £0.05 million) by Hyde Park Residence Limited.

During the period the company also traded with Bespoken Inc, a company in which Mr Fayed's son is a director. The company was charged operating expenses of £0.03 million (2009: £0.03 million). At the period end the company was owed £0.01 million (2009: £0.02 million).