TURNBULL & ASSER LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JANUARY 2016

Company Registration Number 01066321

TURNBULL & ASSER LIMITED

FINANCIAL STATEMENTS

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TURNBULL & ASSER LIMITED

OFFICERS AND PROFESSIONAL ADVISORS

FOR THE PERIOD ENDED 30 JANUARY 2016

The board of directors	Mr A Fayed Mr J Fayed Mr S Quin Mr N Clifford Mr S McCoy Mr N Blow Mr D Foster
Company Secretary	Mr D Foster
Registered office	14 South Street London W1K 1DF
Independent Auditors	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH

The directors present their strategic report of the company for the period ended 30 January 2016.

Principal activities and business review

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

The period ended January 2016 started with a strong order book. Production capacity at our Gloucester shirt factory was increased and new staff recruited for our Sidcup manufacturing team.

August 2016 saw the opening of our brand new store on Davies Street in Mayfair. There was also significant investment in a new e-commerce platform which launched in November 2015. Following a strong first half of the period, the second six months proved challenging with a slowdown in the growth levels previously experienced, impacting the performance of both our retail stores and production facilities.

During the second half of the period, the Bury Street and Jermyn Street sites were covered in scaffolding which obscured the shop frontages and significantly reduced light levels. This was to allow major repairs to the roof to be carried out and the facias refurbished. The work was carried out under the instruction and management of our landlord, The Crown Estate although under the terms of the lease, each tenant is liable to contribute towards the cost. The building works resulted in an exceptional cost of £221k being charged to the profit and loss account in the period (see note 5). Cleaning of the facia is expected to be required once every seven years.

Continued delays to the opening of a new Turnbull & Asser store in New York, originally planned for March 2015 and now expected In August 2016 depressed production levels while the general retail trading environment has also had an adverse effect on the company.

Financial risk management objectives and policies

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

The company's directors are of the opinion that the use of sales and margin measures are sufficient to monitor the ongoing performance of the business and can be used to facilitate short term planning. Overheads are managed through the setting of financial forecasts with regular budget holder reviews to assess performance against these targets.

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

The financial period ending January 2017 should be a period of consolidation for the company with the first full period of trading of the new Davies Street store opened in 2015 and the opening of the new New York store. Other opportunities include the opening of new points of sale in Bloomingdales in Los Angeles and Harrods in Knightsbridge. E-commerce remains a significant opportunity for the company and 2017 will see the stabilisation and enhanced functionality of this channel.

Early indicators are that the period will be a challenging one. UK and international economic and political activity such as the Brexit vote continue to create uncertainty and make underlying conditions difficult to evaluate.

The company continues to invest in design, advertising and marketing to establish the brand in its competitive market.

Going concern

The Directors have reviewed the cash flow forecasts for a period of not less than 12 months from the date of signing these financial statements. The cash flow forecasts take into account reasonably possible changes in trading performance. The Directors have obtained a letter of support from the ultimate controlling party. In the event that the company is unable to meet its liabilities as they fall due, the ultimate controlling party has confirmed that they will meet any liabilities as they fall due for a period of at least 12 months from the date of signing these financial statements. The Directors have concluded that they have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements. The Company therefore continues to adopt the going concern basis in the financial statements.

Covenants for the AIB loan have been breached during 2015/2016 in practical terms and will be breached technically when the statutory accounts are filed. Should the bank recall the loan once the financial statements are filed, this could be covered by a cash injection from the shareholders. The amount due as at October is £126,000.

Position of the company at the period end

The loss for the financial period, after taxation, amounted to £715,000 (2015: profit £66,000). Net assets amounted to £6,459,000 (2015: £7,174,000).

Signed by the order of the board

D Foster

David Foster

Company Secretary

Approved by the board of directors on 28th October 2016.

The directors present their report and the financial statements of the company for the period ended 30 January 2016.

Results and dividends

The loss for the financial period, after taxation, amounted to £715,000 (2015: profit £66,000). The directors have not recommended a dividend.

Directors

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

Mr A Fayed
Mr J Fayed
Mr S Quin
Mr N Clifford
Mr S McCoy
Mr N Blow
Mr D Foster

Financial risk management

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

Directors' indemnity statement

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

Post Balance sheet events

On 9 March 2016 the share capital of the company was increased by the creation of 8,198,000 ordinary shares of £0.10 each. 10,000,000 ordinary shares of £0.10 each were allotted on 9 March 2016 at par value.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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 period. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

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 income statement 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;
- state whether applicable United Kingdom Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of 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.

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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditors

In accordance with Section 418, directors' reports shall include a statement, in the case of each director in office at the date the directors' report is approved, that:

(a) So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and

(b) He has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

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

Signed by the order of the board

David Foster

Company Secretary

Approved by the board of directors on 28th October 2016.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

FOR THE PERIOD ENDED 30 JANUARY 2016

Report on the financial statements

Our opinion

In our opinion, Turnbull & Asser Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 January 2016 and of its loss and cash flows 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.

What we have audited

The financial statements, included within the Financial Statements (the "Annual Report"), comprise:

- the Balance Sheet as at 30 January 2016;
- the Income Statement for the period then ended;
- the Statement of cash flows for the period then ended;
- the Statement of changes in equity for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Emma Jarvis

Emma Jarvis (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
28 October 2016

TURNBULL & ASSER LIMITED

INCOME STATEMENT

FOR THE PERIOD ENDED 30 JANUARY 2016

	Note	Period ended 30 January 2016	*Period ended 31 January 2015*
		£000	*£000*
Turnover	2	9,908	*9,824*
Cost of sales		(4,244)	*(4,124)*
Gross profit		5,664	*5,700*
Distribution costs		(367)	*(329)*
Administrative expenses		(6,128)	*(5,701)*
Other operating income	3	148	*156*
Operating loss	4	(683)	*(174)*
Exceptional items	5	(221)	*331*
Interest receivable and similar income		2	*8*
Interest payable and similar charges		(2)	*0*
(Loss)/profit on ordinary activities before taxation		(904)	*165*
Tax on (loss)/profit on ordinary activities	8	189	*(99)*
(Loss)/profit for the financial period		(715)	*66*

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

TURNBULL & ASSER LIMITED
Registered Number 01066321

BALANCE SHEET

30 JANUARY 2016

	Note	Period ended 30 January 2016	*Period ended 31 January 2015*
		£000	*£000*
Fixed assets			
Tangible assets	9	4,725	*4,081*
Current assets			
Stocks	10	3,373	*3,013*
Debtors	11	1,276	*1,140*
Cash at bank and in hand		57	*978*
Deferred tax asset	16	19	*-*
		4,725	*5,131*
Creditors: Amounts falling due within one year	12	(2,962)	*(1,522)*
Net current assets		1,763	*3,609*
Total assets less current liabilities		6,488	*7,690*
Creditors: Amounts falling due after more than one year	13	(29)	*(360)*
Deferred tax liability	16	-	*(156)*
Net assets		6,459	*7,174*
Capital and reserves			
Called up share capital	19	2,450	*2,450*
Other reserves		30	*30*
Retained earnings		3,979	*4,694*
Total Shareholders' funds		6,459	*7,174*

The financial statements on pages 9 to 32 were approved by the Board of Directors on 28th October 2016 and signed on its behalf by:

N Blow
Managing Director

TURNBULL & ASSER LIMITED

STATEMENT OF CHANGES IN EQUITY

30 JANUARY 2016

	Called up share capital	Retained earnings	Other reserves	Total
	£000	£000	£000	£000
Balance as at 2 February 2014	2,450	4,628	30	7,108
Profit for the year	-	66	-	66
Total comprehensive income for the year	-	66	-	66
Balance as at 31 January 2015	2,450	4,694	30	7,174
Loss for the year	-	(715)	-	(715)
Total comprehensive income for the year	-	(715)	-	(715)
Balance as at 30 January 2016	**2,450**	**3,979**	**30**	**6,459**

TURNBULL & ASSER LIMITED

STATEMENT OF CASHFLOWS

FOR THE PERIOD ENDED 30 JANUARY 2016

	Note	**Period ended 30 January 2016**	*Period ended 31 January 2015*
		£000	*£000*
Net cash from operating activities	20	(113)	*(237)*
Taxation received		54	*82*
Net cash generated from/(used in) operating activities		(59)	*(155)*
Cash flow from investing activities			
Interest received		2	*8*
Interest paid		(2)	*-*
Purchase of tangible assets		(1,008)	*(1,568)*
Proceeds from disposals of tangible assets		-	*331*
Net cash generated used in investing activities		(1,008)	*(1,229)*
Cash flow from financing activities			
Increase in Borrowings		500	*715*
Repayment of loan		(354)	*-*
Net cash generated from/(used in) financing activities		146	*715*
Net increase in cash and cash equivalents		921	*669*
Cash and cash equivalents at the beginning of the period		978	*1,647*
Cash and cash equivalents at the end of the period		57	*978*

General information

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

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

Statement of compliance

The individual financial statements of Turnbull & Asser Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

1 Summary of significant accounting policies

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

Basis of preparation

The financial statements have been prepared on a going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. This is the first period in which the financial statements have been prepared under FRS 102. The date of transition to FRS 102 was 2 February 2014. Details of the transition to FRS 102 are disclosed in note 23.

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

Going Concern

The Directors have reviewed the cash flow forecasts for a period of not less than 12 months from the date of signing these financial statements. The cash flow forecasts take into account reasonably possible changes in trading performance. The Directors have obtained a letter of support from the ultimate controlling party. In the event that the company is unable to meet its liabilities as they fall due, the ultimate controlling party has confirmed that they will meet any liabilities as they fall due for a period of at least 12 months from the date of signing these financial statements. The Directors have concluded that they have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements. The Company therefore continues to adopt the going concern basis in the financial statements.

Covenants for the AIB loan have been breached during 2015/2016 in practical terms and will be breached technically when the statutory accounts are filed. Should the bank recall the loan once the financial statements are filed, this could be covered by a cash injection from the shareholders. The amount due as at October is £126,000.

Foreign currency

i) Functional and presentation currency

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

ii) 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 the income statement.

Turnover

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

Exceptional items

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

Employee benefits

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

i) Short term benefits

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

ii) Defined contribution pension plans

A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the period. The assets of the scheme are held separately from those of the company in an independently administered fund.

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

Taxation (continued)

i) Current tax

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

ii) Deferred tax

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

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

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

Tangible fixed assets

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

Depreciation

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

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

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

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

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

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in income statement and included in 'Other operating (losses)/income'.

Leased assets

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

i) Operating leases

Leased assets (continued)

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

ii) Lease incentives

Incentives received to enter into an operating lease are credited to the income statement, to reduce the lease expense, on a straight-line basis over the period of the lease.

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

Impairment of non-financial assets

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

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

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

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

Stocks

Stocks are valued at the lower of cost, calculated on a weighted average basis, and estimated selling price less cost to complete and sell. Stocks are recognised as an expense in the period in which the related revenue is recognised.

Where necessary, provision is made for obsolete, slow moving and defective inventories.

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

At the end of each reporting period inventories are assessed for impairment. If an item of inventory is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the income statement. Where a reversal of the impairment is recognised the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the income statement.

Cash and Cash equivalents

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

Financial instruments

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

i) Financial assets

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

Such assets are subsequently carried at amortised cost using the effective interest method where applicable.

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

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

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

ii) Financial Liabilities

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

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

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

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

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

Financial instruments (continued)

iii) Offsetting

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

Critical accounting judgements and estimation uncertainty

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

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

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on future investments, economic utilisation and the physical condition of the assets. See note 9 for the carrying amount of the property plant and equipment, and depreciation accounting policy for the useful economic lives for each class of assets.

(ii) Inventory provisioning

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

(iii) Impairment of non-financial assets

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

2. Turnover

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

Turnover by class of business

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

	Period ended 30 January 2016	*Period ended 31 January 2015*
	£000	*£000*
Sale of goods	9,420	*9,348*
Concession commission	488	*476*
	9,908	*9,824*

Turnover analysis by geographical area

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

	Period ended 30 January 2016	*Period ended 31 January 2015*
	£000	*£000*
United Kingdom	5,350	*5,340*
United States	2,420	*2,513*
Continental Europe	1,118	*1,061*
Japan	222	*181*
Other	798	*729*
	9,908	*9,824*

All operations are based in the United Kingdom.

3. Other operating income

	Period ended 30 January 2016 £000	*Period ended 31 January 2015 £000*
Other operating income	148	*156*

This comprises predominantly of royalty income from overseas sales.

4. Operating loss

Operating loss is stated after charging/(crediting):

	Period ended 30 January 2016 £000	*Period ended 31 January 2015 £000*
Depreciation of owned fixed assets	361	*303*
Services provided by the company's auditors		
Fees payable for the audit	24	*22*
Fees payable for other services – tax compliance	9	*6*
Operating lease expense	590	*621*
Net (gain)/loss on foreign currency translation	(4)	*1*
Inventories recognised as an expense	2,407	*2,408*
Loss on disposal of tangible fixed assets	3	-

5. Exceptional Items

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

	Period ended 30 January 2016 £000	*Period ended 31 January 2015 £000*
Essential property maintenance	(221)	-
Business unit review and disposals	-	*331*
	(221)	*331*

During the period, the service charge payable to The Crown Estate in respect of the Jermyn Street and Bury Street stores was increased by a one-off amount in order to pay for roof repairs and facia cleaning. All service charge costs above and beyond the normal annual level payable have been recognised as Exceptional in the period.

In the 2015 period, the company sold its interest in the lease for its city store which had been impaired during the 2014 period. This resulted in a gain of £331k in the prior period. The cash value in relation to this item took place in the 2015 financial period.

6. Particulars of employees

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

	Period ended 30 January 2016 No	*Period ended 31 January 2015 No*
Number of production staff	104	*90*
Number of retail staff	15	*15*
Number of administrative staff	45	*45*
	164	*150*

The aggregate payroll costs of the above were:

	Period ended 30 January 2016 £000	*Period ended 31 January 2015 £000*
Wages and salaries	4,512	*4,113*
Social security costs	418	*387*
Other pension costs	196	*185*
	5,126	*4,685*

7. Directors' emoluments

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

	Period ended 30 January 2016 £000	*Period ended 31 January 2015 £000*
Emoluments receivable	606	*592*
Value of company pension contributions to money purchase schemes	36	*35*
	642	*627*

7. Directors' emoluments (continued)

Emoluments of highest paid director:

	Period ended 30 January 2016 £000	*Period ended 31 January 2015 £000*
Total emoluments (excluding pension contributions)	352	*350*
Value of company pension contributions to money purchase schemes	11	*11*
	363	*361*

The number of directors accruing benefits under defined benefit company pension schemes was nil (2015: nil).

Key management compensation

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

	Period ended 30 January 2016 £000	*Period ended 31 January 2015 £000*
Salaries and other short-term benefits	606	*592*
Post-employment benefits	36	*35*
	642	*627*

8. Tax on (loss)/profit on ordinary activities

(a) Tax (credit)/charge included in profit or loss

	Period ended 30 January 2016 £000	*Period ended 31 January 2015 £000*
Current tax:		
UK corporation tax on profits of the period	-	*2*
Adjustments in respect of prior period	(14)	*8*
Total current tax	(14)	*10*
Deferred tax:		
Origination and reversal of timing differences	(178)	*58*
Effects of change in tax rates	2	*-*
Adjustments in respect of prior periods	1	*31*
Total deferred tax (note 16)	(175)	*89*
Tax on (loss)/profit on ordinary activities	(189)	*99*

8. Tax on (loss)/profit on ordinary activities (continued)

(b) Reconciliation of tax charge

The tax assessed on the loss on ordinary activities for the period is lower (2015: higher) than the standard rate of corporation tax in the UK of 20% (2015 – 20%).

	Period ended 30 January 2016 £000	*Period ended 31 January 2015 £000*
(Loss)/profit on ordinary activities before taxation	(904)	*165*
(Loss)/profit on ordinary activities by rate of tax at 20% (2015 – 20%).	(181)	*33*
Effects of:		
Expenses not deductible for tax purposes	3	*27*
Adjustments to tax charge in respect of previous periods	(13)	*39*
Tax rate changes	2	*-*
Total tax (credit)/charge for the period	(189)	*99*

(c) Reductions to the UK Corporation Tax rate were substantially enacted as part of the Finance Act 2015 (substantively enacted on 26 October 2015). These reduce the main rate of tax to 19% from 1 April 2017 and to 18% from 1 April 2020.

9. Tangible assets

	Freehold Property £000	Leasehold Property £000	Fixtures & Fittings £000	Total £000
Cost				
At 1 February 2015	967	2,629	3,806	7,402
Additions	-	397	611	1,008
Disposals	-	-	(269)	(269)
At 30 January 2016	967	3,026	4,148	8,141
Accumulated Depreciation				
At 1 February 2015	124	316	2,881	3,321
Charge for the period	11	90	260	361
Disposals	-	-	(266)	(266)
At 30 January 2016	135	406	2,875	3,416
Net book value				
At 30 January 2016	832	2,620	1,273	4,725
At 31 January 2015	843	2,313	925	4,081

10. Stocks

	30 January 2016 £000	*31 January 2015 £000*
Raw materials	753	*741*
Work in progress	46	*165*
Finished goods	2,574	*2,107*
	3,373	*3,013*

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

The amount of inventories recognised as an expense during the period was £2,407,000 (2015: £2,408,000).

11. Debtors

	30 January 2016 £000	*31 January 2015 £000*
Trade debtors	666	*823*
Staff loans	32	*30*
Other debtors	198	*49*
Corporation tax receivable	5	*46*
Prepayments and accrued income	375	*192*
	1,276	*1,140*

12. Creditors: Amounts falling due within one year

	30 January 2016 £000	*31 January 2015 £000*
Trade creditors	839	*307*
Bank loans and overdrafts (Note 14)	857	*355*
PAYE and social security	116	*114*
VAT	164	*109*
Other creditors	27	*25*
Accruals and deferred income	959	*612*
	2,962	*1,522*

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

	30 January 2016 £000	*31 January 2015 £000*
Bank Loans and overdrafts (Note 14)	29	*360*

14. Loans and other borrowings

	31 January 2016 £000	*31 January 2015 £000*
T&A Holdings LLC	502	-
Bank Loan	384	*715*

Maturity of financial liabilities:

In one year or less, or on demand	857	*355*
In more than one year, but not more than two years	29	*360*
	886	*715*

The company has a loan facility of £1.0m of which £964k was drawn down. The term of the loan is for three years and bears interest at LIBOR plus 3.5%. The loan is subject to covenants based on debt service cover (EBITDA to total debt service costs shall not be less than the ratio of 125%) and minimum tangible worth (shareholders' funds not to fall below that achieved in the previous period). The loan is secured predominantly on the South Street headquarters.

On 15 August 2015, Turnbull & Asser Limited took out a loan with its related company T&A Holdings LLC for £400,000 to finance the opening of the new Mayfair Store. The loan was due to be repaid on 31 December 2015 (although extension of the payment terms is permitted on request) and bears interest at 1%.

The balance of this loan at October 2015 was £600,000 plus accrued interest.

15. Financial instruments

The company has the following financial instruments:

	Note	2016	*2015*
		£000	*£000*
Financial assets that are debt instruments measured at amortised cost:			
Trade debtors	11	666	*823*
Staff loans	11	32	*30*
Other debtors	11	198	*49*
Cash at bank and in hand		57	*978*
		953	*1,880*
Financial liabilities measured at amortised cost:			
Trade creditors	12	839	*307*
Bank loans and overdrafts	12,13	383	*715*
Other creditors	12	27	*25*
PAYE and social security	12	116	*114*
Accruals		789	*453*
		2,324	*1,773*

16. Deferred taxation

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

	Period ended 30 January 2016 £000	*Period ended 31 January 2015 £000*
At 1 February 2015 / 2 February 2014	156	*67*
Profit and loss account movement arising during the period	(175)	*89*
At 30 January 2016 / 31 January 2015	(19)	*156*

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	30 January 2016 £000	*31 January 2015 £000*
Accelerated capital allowances	190	*162*
Short term timing differences	(7)	*(6)*
Losses	(203)	-
	(19)	*156*

The net deferred tax asset expected to reverse in 2016/17 is £158,000. This primarily relates to the reversal of timing differences and losses which we would expect to reverse within 12 months. Included in this amount is also a deferred tax liability of £51,173 relating to depreciation in excess of capital allowances, which we also expect to reverse in the 2016/17 period. This has been calculated based on current period movements in assets and liabilities.

We have also calculated that of the total deferred tax balance of £138,850 relating to depreciation in excess of capital allowances is likely to reverse after the 2017 period. This has been based on movement in the current period.

17. Commitments under operating leases

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

	30 January 2016 £000	*31 January 2015 £000*
Not later than one year	540	*478*
Later than one year and not later than five years	2,132	*1,623*
Later than five years	1,320	*775*
	3,992	*2,875*

18. Related party transactions

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

During the period the company made sales of £0.04 million (2015: £1.05 million) and received license fee income of nil (2015: £0.12 million) from Turnbull & Asser LLC. At the period end the company was owed nil (2015: £0.26 million) by Turnbull & Asser LLC.

18. Related party transactions (continued)

During the period the company recharged operating expenses of £1.2 million (2015: 0.03 million) to Turnbull & Asser LLC and received operating expenses of £0.01 million (2015: £0.03 million). At the period end Turnbull & Asser LLC owed £0.3 million (2015: nil) to the company.

During the period the company was charged operating expenses of £0.02 million (2015: £0.02 million) by Hyde Park Residence Limited. At the period end the company owed nil (2015: £Nil) to Hyde Park Residence Limited.

During the period the company also traded with Bespoken Inc, a company in which Mr A Fayed's sons are directors. During the period the company made sales of £0.03 million (2015: £0.11 million). At the period end the company was owed nil (2015: £0.01 million) by Bespoken Inc.

During the period the company made nil sales (2015: nil) to Fayair (Stansted) Limited. At the period end the company was owed nil (2015: nil) by Fayair (Stansted) Limited.

During the period the company also traded with Park Lane Investments. During the period the company made sales of £0.02 million (2015: £0.11 million). At the period end the company was owed nil (2015: £0.01 million) by Park Lane Investments.

See note 7 for disclosure of the directors' remuneration and key management compensation.

19. Share capital and reserves

Allotted, called up, issued and fully paid:

	30 January 2016		**31 January 2015**	
	No	**£000**	*No*	*£000*
8,500,000 (2015: 8,500,000) Ordinary shares of US $0.00001 each	8,500,000	-	*8,500,000*	-
24,500,000 (2015: 24,500,000) Ordinary shares of £0.10 each	24,500,000	2,450	*24,500,000*	*2,450*
	33,000,000	2,450	*33,000,000*	*2,450*

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

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

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

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

20. Notes to the statement of cash flows

Reconciliation of operating loss to net cash outflow from operating activities

	Period ended 30 January 2016 £000	*Period ended 31 January 2015 £000*
(Loss)/profit for the financial period	(715)	*66*
Tax on (loss)/profit on ordinary activities	(189)	*99*
Interest receivable and similar income	(2)	*(8)*
Interest payable and similar charges	2	-
Exceptional items	221	*(331)*
Operating loss	(683)	*(174)*
Depreciation of tangible assets	361	*303*
(Increase) in stocks	(360)	*(618)*
Decrease/(increase) in debtors	(176)	*295*
(Decrease)/increase in creditors	966	*(43)*
Exceptional property maintenance	(221)	-
Cash flow from operating activities	(113)	*(237)*

21. Ultimate controlling party

The ultimate controlling party is the Fayed family.

22. Post Balance sheet events

On 9 March 2016 the share capital of the company was increased by the creation of 8,198,000 ordinary shares of £0.10 each. 10,000,000 ordinary shares of £0.10 each were allotted on 9 March 2016 at par value.

23. Transition to FRS 102

This is the first period that the company has presented its results under FRS 102. The last financial statements under previous UK GAAP were for the period ended 31 January 2015. The date of transition to FRS 102 was 2 February 2014. Set out below are the changes in accounting policies which reconcile profit for the financial period ended 31 January 2015 and the total equity as at 2 February 2014 and 31 January 2015 between UK GAAP as previously reported and FRS 102.

Transition exemptions

The Company has taken advantage of the transition exemption under paragraph 35.10(p) of FRS 102 to continue to recognise the existing lease incentives at the transition date on the same basis as previous UK GAAP. Under previous UK GAAP operating lease incentives, including rent free periods and fit-out contributions, were spread over the shorter of the lease period or the period to when the rental was set to a fair market rent. FRS 102 required that such incentives to be spread over the lease period.

Reconciliation

In accordance with the requirements of FRS 102, a reconciliation of the prior period profit and opening balances is provided below:

Reconciliation of profit for the period	**Note**	**31 January 2015 £000**
Profit for the period as previously reported under UK GAAP		66
Recognition of holiday pay accruals	(i)	-
Deferred tax impact on recognition of holiday pay accrual	(ii)	-
Profit for the period as reported under FRS 102		66

Reconciliation of equity	**Note**	**2 February 2014 £000**	**31 January 2015 £000**
Total equity as previously reported under UK GAAP		7,121	7,187
Recognition of holiday pay accruals	(i)	(16)	(16)
Deferred tax impact on recognition of holiday pay accrual	(ii)	3	3
Total equity as reported under FRS 102		7,108	7,174

23. Transition to FRS 102 (continued)

Notes to the reconciliation

i) Holiday pay accrual

FRS 102 requires short term employee benefits to be charged to the income statement as the employee service is received. This has resulted in the company recognising a liability for holiday pay of £16,000 on transition to FRS 102. Previously holiday pay accruals were not recognised and were charged to the income statement as they were paid. On transition, in the opening balance sheet of 2 February 2014, a £16,000 liability was recognised.

ii) Tax on holiday pay accrual

The impact on tax as a result of the adjustments above was to reduce the deferred tax liability at 2 February 2014 by £3,000.

Other Adjustments arising on transition to FRS 102

Statement of cash flows

In addition to the transition adjustments identified above which affect the balance sheet, the following adjustments have arisen which have had no effect on net assets or the income statement but which have affected the presentation of these items in the financial statements.

The statement of cash flows reflects the presentation requirements of FRS 102, which is different to that prepared under FRS 1. In addition the statement of cash flows reconciles to cash and cash equivalents whereas under previous UK GAAP the statement of cash flows reconciled to cash. Cash and cash equivalents are defined in FRS 102 as 'cash on hand and demand deposits and short term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value' whereas cash is defined in FRS 1 as 'cash in hand and deposits repayable on demand with any qualifying institution, less overdrafts from any qualifying institution repayable on demand'. The FRS 1 definition is more restrictive.