REGISTERED NUMBER: 01069599 (England and Wales)

# ROBINSON WEBSTER (HOLDINGS) LIMITED

GROUP STRATEGIC REPORT,

REPORT OF THE DIRECTORS AND

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD

30 SEPTEMBER 2018 TO 1 FEBRUARY 2020

## CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
## FOR THE PERIOD 30 SEPTEMBER 2018 TO 1 FEBRUARY 2020

**COMPANY INFORMATION**
**FOR THE PERIOD 30 SEPTEMBER 2018 TO 1 FEBRUARY 2020**

| | |
|---|---|
| **DIRECTORS:** | C S J Atterton<br>Ms D Don-Wauchope<br>D Hall<br>J N Murray Wells<br>Ms S A Rossi<br>Ms I Spearman<br>R S Walker |
| **SECRETARY:** | Ms R S Paul |
| **REGISTERED OFFICE:** | 159 Mortlake Road<br>Richmond<br>Surrey<br>TW9 4AW |
| **REGISTERED NUMBER:** | 01069599 (England and Wales) |
| **AUDITORS:** | Duncan & Toplis Limited, Statutory Auditor<br>14 All Saints Street<br>Stamford<br>Lincolnshire<br>PE9 2PA |

# GROUP STRATEGIC REPORT
# FOR THE PERIOD 30 SEPTEMBER 2018 TO 1 FEBRUARY 2020

**Ownership**

On 29 March 2018, the ultimate parent undertaking, Kewsaw Limited, sold its entire shareholding in Robinson Webster (Holdings) Limited ('the Group') to Best Dressed Group Limited (formerly Uniform Brands Limited) and John Robinson. Furthermore, Best Dressed Group Limited and Robinson Property Company Limited (a company controlled by John Robinson, Jigsaw's founder) each invested £5m cash (£10m total) directly into the company in return for a combination of equity and loan notes. As of this date, Best Dressed Group Limited became the controlling shareholder of the company.

On 15 April 2019, the Group was transferred from being a subsidiary of Best Dressed Group Limited, to be a subsidiary of Mountain Berg Limited (MBL) as part of the restructuring of the ultimate parent company group.

**Key Performance Indicators**

The group's primary key performance indicators include total turnover, like-for-like turnover and channel and category gross margin. The board also monitors adjusted EBITDA (defined as earnings before interest, tax, depreciation, amortisation, impairments and exceptional items), stock turn, concession days and e-commerce and customer data metrics.

**Business Review**

The financial year was extended by 20 weeks to 1 February 2020, with the accounting reference date being the closest Saturday to 31 January. The financial year therefore comprised of 70 trading weeks (2018: 52 weeks). The change in accounting reference date brings close alignment to the MBL year end and allows the entirety of both individual trading seasons (spring summer and autumn winter) to fall into the same calendar year.

**Group results**

In the 70 week financial year total group turnover was £128.9m from £102.0m in 2018. Gross profit margin achieved for the group was 62.5% from 63.0% in 2018.

The group incurred material exceptional costs of £1.5m. The operating losses of the group were £4.9m from £9.5m in 2018. Underlying adjusted EBITDA, with exceptional costs added back, were a profit of £0.5m from a loss of £0.4m in 2018. Net liabilities were £9.8m from £0.8m in 2018

On the 29 March 2018, the group formally renegotiated its bank facilities and secured an asset backed facility (Facilities) with Secure Trust Bank (STB). The facilities are provided on a revolving basis and have a maximum facility limit of £15m. Additional funding of £10m was received from Robinson Property Company Limited and MBL. There is a continued supportive relationship with Secure Trust Bank. In the financial year MBL committed further short-term working capital loans of £2m (at 0.75% interest pcm) of which £0.45m was repaid by the end of the year.

**Strategic Review**

The group continued to focus on its strategic agenda of being a digital first business operating in higher margin womenswear and concession product categories primarily in the UK and Irish markets.

The group continues to expand its omni-channel capability and grow the customer database with the company closely monitoring customer activity and return on investment from digital marketing activity.

During the period the business closed its USA operations in September 2019, The Shop at Bluebird at the end of January 2020 and the group also ceased its junior category. Post year end the directors have also taken the view that the Australian business, menswear category and a number of poorer performing concession partners are also non-core and have been discontinued.

Following the successful completion of the CVA the group will continue to review its cost and supplier base.

**GROUP STRATEGIC REPORT**
**FOR THE PERIOD 30 SEPTEMBER 2018 TO 1 FEBRUARY 2020**

**Covid Pandemic**

As at the time of preparing this report the Covid pandemic has clearly severely impacted economies globally and specifically consumer facing businesses. Along with other non-essential retail, Jigsaw closed all its UK based stores and physical concessions on the 20 March 2020, reopening on or around the end of June. The second lock down occurred on the 2 November 2020, again forcing non-essential retail to close in the UK (other than Scotland and Northern Ireland that were trading under tiered social distancing), for a month in duration, reopening on the 2 December. In mid-December 2020 there was a tiered approach to closing stores, impacting approximately half of the business's physical locations and then from the 5 January there has been announced a further full nationwide lock down until at least 21 February 2021.

The impact of these lock down measures on the group store estate was to close 77 own stores & outlets and 42 concessions. The actual lock down closure periods and the uncertainty on the high street post reopening, has resulted in the loss of ex-vat sales in the post-balance sheet period, of approximately £31m. The business has relied on its online business with, over the period, approximately 60% of sales being generated through online channels.

The group has accessed government Covid support schemes, including (as at December 2020) the Job Retention Scheme, retail grants of and a rates holiday on retail stores. With the reduction in non-essential retail staff hours, head office restructuring and with the implementation of the reduced store portfolio operating on flexible turnover deals. the group has managed to significantly rationalise its cost base.

The group has implemented deeper sales offers during the course of the year, to run the business efficiently for cash and to ensure stock is still being cleared effectively and when seasonally appropriate. The group has had to focus on the online business, including online concessions, as a result of the lock down period.

**Closure of non-core operations**

Following the balance sheet date, the directors made the decision to close the Australia business, this decision was made in July 2020, with the final trading of the David Jones concessions ceasing in September 2020. Three Australia own stores and nine David Jones concessions were closed. Stock that was not sold through the David Jones run off period was transferred back to RWHL and sold to third party wholesale channels.

Finally, the decision was made in July 2020 to cease the menswear category - again this was to ensure that the business is focused around its heritage of higher value womenswear and accessory categories.

**Outlook**

The potential economic fall-out from the Covid pandemic will undoubtedly make the next year a tough environment for UK retail. The recently announced Covid vaccines that will be administered through 2021 with the restructuring and completed CVA process mean that the business is in a strong position to meet these retail challenges head on.

Jigsaw's investors strongly believe in the brand and are determined to see it flourish and maximise its potential by returning to its womenswear heritage with a clear and defined move from physical stores to online platforms (Digital First) whilst also continuing to rationalise the business.

In these tough economic times, we would not have been able to achieve these results without the hard work, commitment and passion of all our colleagues. On behalf of the board of directors, I would like to thank them all for their contribution to the business.

**GROUP STRATEGIC REPORT**
**FOR THE PERIOD 30 SEPTEMBER 2018 TO 1 FEBRUARY 2020**

**PRINCIPAL RISKS AND UNCERTAINTIES**
Jigsaw is a well-established brand, with a loyal following and distinct identity. The group's business revolves around fashion and its success depends substantially on its ability to produce and sell ranges which are attractive and affordable. Whilst the group focuses on achieving this through experienced in-house design teams and buyers, it is not possible to predict the reaction from potential customers to each season's new collection with absolute certainty.

As well as the micro-risks related to the company's ability to win business from customers against competing brands, there are macroeconomic risks related to consumer demand impacted by general economic conditions and confidence, this has become apparent following the Covid pandemic and the potential for a recession in future years.

At the time of preparing this report the Brexit transition period has ended and a new tariff and quota free trade deal has been agreed between the UK Government and the EU. The directors' initial reaction is that this is a positive move to reduce Brexit uncertainty across the economy.

Jigsaw's ongoing Brexit risks include inefficient clearance of goods into the UK as more controls at the Border are put in place as well as the need to register in EU markets to make online sales. The directors have assessed the risks and operational challenges to the business and have put in place a mitigation plan to minimise 'friction at border' by ensuring that all relevant customers clearance paperwork has been completed with the group's carriers.

Jigsaw's import from the EU and Turkey does not represent a material amount of total imports, however where appropriate, consideration is being given to sourcing from more favourable countries of origin. The stock supply chain has been managed in close collaboration with our freight forwarding company to bring stock-buy forward to ensure any blocks at the border are mitigated. An assessment has been made of commercially viable EU countries that we wish to continue to trade with via the online platform and appropriate registrations have been made.

The group is reliant on production overseas and therefore exposed to exchange rate volatility between Sterling and the Euro, Hong Kong Dollar and United States Dollar, this volatility directly impacts the group's cost of sales. Jigsaw buys hedging contracts where appropriate.

The group has become less operationally geared following the CVA with the movement to flexible turnover rents, there is also the government announced cessation of business rates until March 2021. In addition to reducing exposure to both fixed costs and variable costs, the group is increasing its activities that are not dependent on the UK high street, including online, with the aim to grow the online business to approximately 50% of its normalised total sales base and further to seek commercially viable online marketplace deals.

**ON BEHALF OF THE BOARD:**

C Greener - Director

29 January 2021

**REPORT OF THE DIRECTORS**
**FOR THE PERIOD 30 SEPTEMBER 2018 TO 1 FEBRUARY 2020**

The directors present their report and the audited consolidated financial statements for the 70-week period ended 1 February 2020 (2018: 52-week period ended 29 September 2018).

**DIVIDENDS**

The consolidated statement of comprehensive income shows a loss before taxation for the period of £7.5m (2018: £10.5m loss). At 1 February 2020, the group had net liabilities of £9.8m (2018: net liabilities of £0.8m).

No dividends were declared or paid in the year (2018: £nil).

**EVENTS SINCE THE END OF THE PERIOD**

Information relating to events since the end of the period is given in the notes to the financial statements.

**DIRECTORS**

The following directors held office during the 70-week period or were appointed/resigned post year end:

| Director | Appointed | Resigned |
|---|---|---|
| Charles Atterton | 31 May 2019 | |
| Carlton Greener | 27 April 2020 | |
| Belle Robinson | | 31 May 2019 |
| Kieron Traynor | | 31 May 2019 |
| Toby Foreman | | 15 January 2020 |
| Philip Kenny | | 31 December 2018 |
| Christopher Stephenson | | 18 January 2019 |
| Glenn Walker | | 21 January 2019 |
| Charles Atterton | | 17 January 2019 |
| Despina Don-Wauchope | 31 May 2019 | 27 April 2020 |
| David Hall | 31 May 2019 | 27 April 2020 |
| James Murray-Wells | 31 May 2019 | 27 April 2020 |
| Silvana Rossi | 31 May 2019 | 8 April 2020 |
| Isabel Spearman | 31 May 2019 | 28 April 2020 |
| Richard Walker | 31 May 2019 | 27 April 2020 |

**Financial risk management**

The group's operations expose it to a variety of risks that include credit risk, liquidity risk and interest rate risk. These risks are managed on a group basis and the directors contribute to the management of these risks as follows:

The key risk is the macroeconomic uncertainty as a result of the Covid pandemic and what this means for a consumer facing business, consumer confidence and demand. As noted previously a reduction in physical space, flexible turnover based lease contracts and a demonstrable movement to online have all gone some way to mitigate this risk.

Credit risk is controlled by the group only investing cash deposits with reputable UK financial institutions, and by regularly reviewing the recoverability of monies owed by group companies and third parties and making provisions against such debtors if deemed necessary.

Liquidity and interest rate risks are managed by the directors' close monitoring of working capital requirements through preparation and review of budgets and short and long-term cash flow forecasts ensuring that there are sufficient funds to manage its operations. Bank facilities are managed in the UK on a group basis.

Treasury risks exist in the form of exposure to fluctuations in the value of the Hong Kong Dollar, US Dollar and Euro, against Sterling, which have a direct impact on gross margin. This foreign exchange risk is managed through arrangements to purchase currency at agreed forward rates.

**Employee involvement**

Group employment policies respect the individual and offer career opportunities regardless of gender, race or religion. Full and fair consideration is given to the opportunities for training and development of people with disabilities according to their skills and capacity. The group is also committed to providing employees with information on matters of concern to them on a regular basis, so that the views of employees can be taken into account when making decisions that are likely to affect their interests.

**Disabled persons**

The group's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

**REPORT OF THE DIRECTORS**
**FOR THE PERIOD 30 SEPTEMBER 2018 TO 1 FEBRUARY 2020**

**Slavery and Human Trafficking statement**

At Jigsaw, our philosophy is underpinned by 'Style & Truth': a set of values that allows us to focus on everything that matters. We create products that are made with integrity and finished to the highest standards, with beautiful materials that will last for a lifetime. This means that we value relationships with the people who help us make our collections and we work closely with them to ensure the same principles are applied throughout our supply chain.

When we begin a relationship with a supplier, we do so based on our sourcing principles: we meet all suppliers at Jigsaw head office in London or in the country of the manufacturer; all suppliers are required to complete factory profile documents; and all suppliers must sign an agreement of compliance to our principles and responsible sourcing code of conduct. All new suppliers are approved by our Creative Director and Head of Sourcing. We require suppliers to engage with one of our approved audit partners and to become a member of SEDEX (a-not-for-profit membership organisation dedicated to driving improvements in global supply chains) within one year of initial orders. The production, buying and design team visit suppliers on a regular basis to continue to build a strong working partnership.

The Jigsaw code of conduct sets out our policy on supply chain labour and environmental standards and is based on the Ethical Trading Initiative's (ETI) base code. Key principles include: employment is freely chosen, child labour shall not be used, living wages are paid, and no harsh or inhumane treatment is allowed.

**Directors' indemnities**

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 Companies Act 2006. The indemnity was in force throughout the last financial period and is currently in force. The group also purchased and maintained throughout the financial period Directors' and Officers' liability insurance in respect of its directors.

**Subsequent events**

Subsequent events are as detailed in note 26 of the financial statements.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**
The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 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 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group'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.

**REPORT OF THE DIRECTORS**
**FOR THE PERIOD 30 SEPTEMBER 2018 TO 1 FEBRUARY 2020**

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**ON BEHALF OF THE BOARD:**

C Greener - Director

29 January 2021

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ROBINSON WEBSTER (HOLDINGS) LIMITED**

**Opinion**

We have audited the financial statements of Robinson Webster (Holdings) Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 1 February 2020 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 1 February 2020 and of the group's loss 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.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Emphasis of matter**

We draw attention to note 26 of the financial statements which describes the post balance sheet events of both the impacts of the Covid-19 pandemic and the Company Voluntary Arrangement that has been entered into by the group. Our opinion is not modified in respect of this matter.

**Other information**

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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.

**Responsibilities of directors**

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

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

**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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.

Alistair Main BFP FCA (Senior Statutory Auditor)
for and on behalf of Duncan & Toplis Limited, Statutory Auditor
14 All Saints Street
Stamford
Lincolnshire
PE9 2PA

29 January 2021

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
**FOR THE PERIOD 30 SEPTEMBER 2018 TO 1 FEBRUARY 2020**

| | Notes | Period 30.9.18 to 1.2.20 £'000 | Period 1.10.17 to 29.9.18 £'000 |
|---|---|---|---|
| **REVENUE** | 3 | 128,905 | 101,951 |
| Cost of sales | | (48,226) | (37,693) |
| **GROSS PROFIT** | | 80,679 | 64,258 |
| Administrative expenses | | (85,175) | (68,444) |
| | | (4,496) | (4,186) |
| Other operating income | | 1,058 | 752 |
| **OPERATING LOSS** | 6 | (3,438) | (3,434) |
| Exceptional items | 7 | (1,453) | (6,068) |
| | | (4,891) | (9,502) |
| Interest receivable and similar income | | 2 | - |
| | | (4,889) | (9,502) |
| Interest payable and similar expenses | 8 | (2,632) | (1,042) |
| **LOSS BEFORE TAXATION** | | (7,521) | (10,544) |
| Tax on loss | 9 | (1,660) | 655 |
| **LOSS FOR THE FINANCIAL PERIOD** | | (9,181) | (9,889) |
| **OTHER COMPREHENSIVE INCOME** | | | |
| Exchange differences on translation of foreign subsidiaries | | 184 | (126) |
| Income tax relating to other comprehensive income | | - | - |
| **OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX** | | 184 | (126) |
| **TOTAL COMPREHENSIVE INCOME FOR THE PERIOD** | | (8,997) | (10,015) |
| Loss attributable to: | | | |
| Owners of the parent | | (9,181) | (9,889) |

Total comprehensive income attributable to:

The notes form part of these financial statements

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
**FOR THE PERIOD 30 SEPTEMBER 2018 TO 1 FEBRUARY 2020**

| | Period 30.9.18 to 1.2.20 £'000 | Period 1.10.17 to 29.9.18 £'000 |
|---|---|---|
| Owners of the parent | (8,997) | (10,015) |

The notes form part of these financial statements

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**
**1 FEBRUARY 2020**

| | Notes | 2020 £'000 | 2018 £'000 |
|---|---|---|---|
| **FIXED ASSETS** | | | |
| Intangible assets | 11 | 77 | 128 |
| Property, plant and equipment | 12 | 7,848 | 11,110 |
| Investments | 13 | - | - |
| | | 7,925 | 11,238 |
| **CURRENT ASSETS** | | | |
| Inventories | 14 | 13,571 | 21,139 |
| Debtors | 15 | 4,520 | 8,808 |
| Cash at bank | | 1,734 | 2,947 |
| | | 19,825 | 32,894 |
| **CREDITORS** | | | |
| Amounts falling due within one year | 16 | (25,318) | (32,908) |
| **NET CURRENT LIABILITIES** | | (5,493) | (14) |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 2,432 | 11,224 |
| **CREDITORS** | | | |
| Amounts falling due after more than one year | 17 | (10,380) | (10,102) |
| **PROVISIONS FOR LIABILITIES** | 21 | (1,809) | (1,882) |
| **NET LIABILITIES** | | (9,757) | (760) |
| **CAPITAL AND RESERVES** | | | |
| Called up share capital | 22 | 90 | 90 |
| Share premium | | 30 | 30 |
| Retained earnings | | (9,877) | (880) |
| **SHAREHOLDERS' FUNDS** | | (9,757) | (760) |

The financial statements were approved and authorised for issue by the Board of Directors and authorised for issue on 29 January 2021 and were signed on its behalf by:

C Greener - Director

**COMPANY STATEMENT OF FINANCIAL POSITION**
**1 FEBRUARY 2020**

| | Notes | 2020 £'000 | 2018 £'000 |
|---|---|---|---|
| **FIXED ASSETS** | | | |
| Intangible assets | 11 | 77 | 90 |
| Property, plant and equipment | 12 | 7,463 | 10,705 |
| Investments | 13 | - | 181 |
| | | 7,540 | 10,976 |
| **CURRENT ASSETS** | | | |
| Inventories | 14 | 11,238 | 18,098 |
| Debtors | 15 | 5,015 | 15,652 |
| Cash at bank | | 1,521 | 2,455 |
| | | 17,774 | 36,205 |
| **CREDITORS** | | | |
| Amounts falling due within one year | 16 | (27,293) | (33,668) |
| **NET CURRENT (LIABILITIES)/ASSETS** | | (9,519) | 2,537 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | (1,979) | 13,513 |
| **CREDITORS** | | | |
| Amounts falling due after more than one year | 17 | (10,380) | (10,102) |
| **PROVISIONS FOR LIABILITIES** | 21 | (1,773) | (1,882) |
| **NET (LIABILITIES)/ASSETS** | | (14,132) | 1,529 |
| **CAPITAL AND RESERVES** | | | |
| Called up share capital | 22 | 90 | 90 |
| Share premium | | 30 | 30 |
| Retained earnings | | (14,252) | 1,409 |
| **SHAREHOLDERS' FUNDS** | | (14,132) | 1,529 |
| Company's loss for the financial year | | (15,661) | (6,554) |

The financial statements were approved and authorised for issue by the Board of Directors and authorised for issue on 29 January 2021 and were signed on its behalf by:

C Greener - Director

The notes form part of these financial statements

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
## FOR THE PERIOD 30 SEPTEMBER 2018 TO 1 FEBRUARY 2020

| | Called up share capital £'000 | Retained earnings £'000 | Share premium £'000 | Total equity £'000 |
|---|---|---|---|---|
| **Balance at 1 October 2017** | 99 | 9,135 | 30 | 9,264 |
| **Changes in equity** | | | | |
| Issue of share capital | (9) | - | - | (9) |
| Total comprehensive income | - | (10,015) | - | (10,015) |
| **Balance at 29 September 2018** | 90 | (880) | 30 | (760) |
| **Changes in equity** | | | | |
| Total comprehensive income | - | (8,997) | - | (8,997) |
| **Balance at 1 February 2020** | 90 | (9,877) | 30 | (9,757) |

The notes form part of these financial statements

**COMPANY STATEMENT OF CHANGES IN EQUITY**
**FOR THE PERIOD 30 SEPTEMBER 2018 TO 1 FEBRUARY 2020**

| | Called up share capital £'000 | Retained earnings £'000 | Share premium £'000 | Total equity £'000 |
|---|---|---|---|---|
| **Balance at 1 October 2017** | 99 | 7,963 | 30 | 8,092 |
| **Changes in equity** | | | | |
| Issue of share capital | (9) | - | - | (9) |
| Total comprehensive income | - | (6,554) | - | (6,554) |
| **Balance at 29 September 2018** | 90 | 1,409 | 30 | 1,529 |
| **Changes in equity** | | | | |
| Total comprehensive income | - | (15,661) | - | (15,661) |
| **Balance at 1 February 2020** | 90 | (14,252) | 30 | (14,132) |

The notes form part of these financial statements

## 1. GENERAL INFORMATION

Robinson Webster (Holdings) Limited is a limited company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the group's operations and its principal activities are set out in the strategic report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

## 2. ACCOUNTING POLICIES

**Basis of preparation**
These financial statements are prepared under FRS 102.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgement in applying the group's accounting policies (see note 2).

**Going concern**
The financial statements have been prepared on a going concern basis which assumes that the group is able to meet its obligations as they fall due for the foreseeable future.

Following the refinancing on the 29 March 2018 the group meets its day to day working capital requirements through its Secure Trust Bank (STB) facility. The facility term was for an initial 30 month period.

Covid has undoubtedly put significant pressure on the wider economy and the group. As noted in the Strategic Report, RWHL is trading fewer, more profitable stores on turnover deals, with significantly increased online business (where demand is robust), accessing Covid government support measures, coupled with a rationalisation of the cost and supplier base. Following the CVA, RWHL has access to £4m of additional RCF funding (from its shareholder Mountain Berg Limited), these have all been strong mitigating factors.

At the date of signing these accounts there has been agreement with STB to extend the facility for 18 months from March 2021. The facility will allow the group to access up to £7.5m of funding, which affords sufficient headroom given that the business will be trading on lower sales and therefore much lower stock intake, and also a reduced cost base including property and headcount cost savings.

The STB facilities are subject to a weekly assessment of short-term cash, trade, the stock collateral base, and a review to the periodic covenants, primarily an EBITDA target-based covenant. The directors maintain a good ongoing regular dialogue with the bank and there is a willingness to discuss commercial decisions in the context of the implications of the covenants.

The group successfully completed the CVA challenge period on 1 October 2020. A financial forecast was prepared to model the business after the CVA restructure, including profit and cash projections covering the period until the end of January 2022. The group also performed a formal review of the forecasts including headroom against bank covenants with the bank and shareholders. As a result of this process, the directors believe that the group can generate sufficient profitability and has sufficient cash flow liquidity available to be in a position to meet the covenants and all liabilities as they fall due over a period of at least 12 months from the date of signing these financial statements.

In addition to the existing forecasts, there are further strategies that the business can adopt at short-notice to generate cash margin and liquidity if the need arises.

Following the change in ownership of the group the long-term funding received from the owners has provided the solid foundations from which the group can now trade. The ultimate parent company, Mountain Berg Holdings Limited, is a financially secure group.

The group therefore continues to adopt the going concern basis in the financial statements.



continued...

2. **ACCOUNTING POLICIES- continued**

**Financial Reporting Standard 102 - reduced disclosure exemptions**
**Parent company disclosure exemptions**
The ultimate parent company and controlling party is Mountain Berg Holdings Limited, a company registered in England and Wales, at the registered address of 10 St James's Place, London, United Kingdom, SW1A 1NP.

In preparing the financial statements of the group and parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the group and company
- No disclosure has been given for the aggregate remuneration of the key management personnel of the company as their remuneration is included in the totals for the group as a whole.

Consolidated financial statements of Mountain Berg Holdings Limited can be obtained from:

Companies House
Crown Way
Cardiff
CF14 3UZ

**Basis of consolidation**
The consolidated financial statements present the results of Robinson Webster (Holdings) Limited ("RWHL") and its subsidiaries ("the group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the statement of financial position, the acquirer's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are derecognised from the date control ceases.

**Turnover**
Turnover represents amounts receivable for goods and services provided to customers outside of the group, stated net of returns and value added and other sales taxes.

Retail revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, which is typically at the point of sale. Web sales are recognised when goods are despatched.

**Other income**
Other operating income includes rental income and licensing income and it is recognised in the period in which it is earned.

**Intangible assets**
Where the fair value of the separable net assets exceeds the fair value of the consideration for an acquired undertaking the difference is treated as negative goodwill and is capitalised and amortised through the statement of comprehensive income in the period in which the non-monetary assets acquired are recovered. Negative goodwill is amortised over 3 to 5 years. In the case of fixed assets this is the period over which they are depreciated, and in the case of current assets, the period over which they are sold or otherwise realised.

Costs of trademark investments are capitalised in the statement of financial position where the directors consider there to be an enduring benefit to the company. The cost of assets so acquired are amortised over the lesser of 20 years or the estimated useful life.

 continued...

2. **ACCOUNTING POLICIES - continued**

**Tangible fixed assets**
Tangible fixed assets, other than freehold land, are stated at cost less depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Freehold land is not depreciated.

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:

| | |
|---|---|
| Leasehold land and buildings | Straight line over the lease term |
| Refurbs, fixtures, fittings and equipment | 5-7 years |
| Motor vehicles | 4 years |

The expected useful lives of the assets in the business are reassessed periodically to ensure that they remain appropriate.

Gains or losses on the disposal of fixed assets are accounted for within the statement of comprehensive income as the difference between proceeds and the net book value of the asset at the date of disposal.

Where group companies' websites are expected to generate future revenues in excess of the costs of developing those websites and all other capitalisation criteria are met, expenditure on the functionality of the website is capitalised and treated as a tangible fixed asset. Expenditure incurred on maintaining websites and expenditure incurred on developing websites used only for advertising and promotional purposes are written off as incurred.

**Impairment of fixed assets**
The carrying values of fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable. If there are indicators of impairment, an exercise is undertaken to determine whether the carrying values are in excess of their recoverable amounts. Such a review is undertaken on cash generating units.

If the carrying value of a fixed asset exceeds the recoverable amount, a provision is recorded to reflect the asset at the lower amount. In assessing the recoverable amounts of fixed assets, the relevant future cash flows expected to arise from the continuing use of and disposal of the assets have been discounted to their present value using a market-determined discount rate.

**Stock**
Stock is valued at the lower of cost and net realisable value. Net realisable value is based on an estimated selling price less costs to sell. Cost is based on the cost of purchase on a standard cost basis. Where necessary, provisions are made for obsolete, slow moving and defective stock and shrinkage.

**Current and deferred taxation**
Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income.



continued...

2. **ACCOUNTING POLICIES - continued**

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, calculated using tax rates enacted or substantively enacted at the statement of financial position date in the countries where the company's subsidiaries operate and generate taxable income. Any adjustment to tax payable in respect of previous years is also included.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

- Deferred tax is not recognised on timing differences relating to interests in subsidiaries, associates, branches and joint ventures where the group can control their reversal and such reversal is not considered probable in the foreseeable future.

A deferred tax liability or asset is recognised for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognised in a business combination. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference. Deferred tax balances are not discounted.

**Onerous lease provisions**
Where the unavoidable cost of a lease exceeds the economic benefits expected to be received from that lease, a provision is made for the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

**Operating lease rentals**
Rentals payable under operating leases are charged to the income statement on a straight-line basis over the lease term. Any operating lease incentives received are credited to the income statement on a straight-line basis over the lease term.

The group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard to be continued to be credited over the shorter period to the first market rent review rather than the term of the lease.

Legal and professional costs incurred in the acquisition of leasehold properties are capitalised and written off over the initial period of the lease.

**Pensions**
The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension costs are charged to the statement of comprehensive income in the period to which they relate. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the statement of financial position.

 continued...

2. **ACCOUNTING POLICIES - continued**

**Holiday pay accrual**
A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the statement of financial position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the statement of financial position date.

**Share based payments**
Where shares are awarded to employees, the fair value of the share at the date of grant is charged to the profit of loss account over the vesting period. The fair value is calculated with reference to the forecast dividend payments.

**Foreign currency translation**
The trading transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the relevant dates. The exchange differences arising are therefore dealt with in the statement of comprehensive income.

Monetary assets and liabilities in foreign currency are translated at the exchange rate ruling at the statement of financial position date. The trading transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the relevant dates. The exchange differences arising are therefore dealt with in the statement of comprehensive income. Monetary assets and liabilities in foreign currency are translated at the exchange rate ruling at the statement of financial position date. On consolidation the assets and liabilities, and income and expenses of foreign operations which have a functional currency other than sterling are translated into sterling at the statement of financial position date. All resulting exchange differences are taken to reserves.

**Prepayments and accrued income**
Prepayments and accrued income comprise payments made in advance relating to the following period, and income relating to the current period which will not be invoiced until after the statement of financial position date.

**Accruals and deferred income**
Accruals and deferred income comprise expenses relating to the current period which will not be invoiced until after the statement of financial position date and income received in advance relating to the following period.

**Financial assets**
Financial assets are measured initially at fair value and subsequently at amortised cost less any impairment.

**Financial liabilities**
Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than its legal form.

Financial liabilities are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

**Reserves**
The group and company's reserves are as follows:
- Called up share capital reserve represents the nominal value of the shares issued;
- The share premium account includes the premium on issue of equity shares, net of any issue costs; and
- The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.


continued...

## 2. ACCOUNTING POLICIES - continued

**Judgements in applying accounting policies**
In preparing these financial statements, the Directors have made the following judgements:

**Stock provisioning (see note 14)**
The group sells premium goods and is subject to changing consumer demands and fashion trends. As a result, it is necessary to consider the recoverability of the cost of stock and the associated provisioning required. When calculating the stock 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.

**Onerous lease provision (see note 21)**
Where the unavoidable costs of a lease exceeds the economic benefits to be received from that lease, a provision is made for the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. Assumptions are used in making these calculations and changes in assumptions and future events could cause the value of these provisions to change.

**Tangible fixed assets (see note 12)**
Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

**Impairment of tangible fixed assets (see note 12)**
Cash generating units to which fixed assets are allocated are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Impairment is recognised where the carrying value of the tangible assets allocated to a cash generating unit is less than the book value of the assets. Fixed assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that there is further impairment or whether impairment losses recognised in prior periods no longer exist or may have decreased.

**Intercompany loans recoverability (see note 16)**
In assessing the recoverability of amounts owed by group companies, the net assets of the companies are considered as well as the forecast future profitability in order to conclude on any necessary provisions within the company statement of financial position.

## 3. REVENUE

The revenue and loss before taxation are attributable to the one principal activity of the group.

An analysis of revenue by geographical market is given below:

| | Period 30.9.18 to 1.2.20 £'000 | Period 1.10.17 to 29.9.18 £'000 |
|---|---|---|
| United Kingdom | 117,338 | 90,637 |
| Europe | 1,729 | 2,430 |
| Rest of the world | 9,837 | 8,884 |
| | 128,904 | 101,951 |


continued...

## 4. EMPLOYEES AND DIRECTORS

| | Period 30.9.18 to 1.2.20 £'000 | Period 1.10.17 to 29.9.18 £'000 |
|---|---|---|
| Wages and salaries | 25,137 | 19,562 |
| Social security costs | 1,834 | 1,471 |
| Other pension costs | 504 | 339 |
| | 27,475 | 21,372 |

The average number of employees during the period was as follows:

| | Period 30.9.18 to 1.2.20 | Period 1.10.17 to 29.9.18 |
|---|---|---|
| Sales | 716 | 813 |
| Administration | 285 | 275 |
| | 1,001 | 1,088 |

## 5. DIRECTORS' EMOLUMENTS

| | Period 30.09.18 to 1.02.20 £'000 | Period 1.10.17 to 29.9.18 £'000 |
|---|---|---|
| Directors remuneration | 478 | 1,263 |

Information regarding the highest paid director is as follows:

| | Period 30.09.18 to 1.02.20 £'000 | Period 1.10.17 to 29.9.18 £'000 |
|---|---|---|
| Emoluments etc | 194 | 568 |

No retirement benefits were accrued under money purchase pension schemes (2018: none). None of the directors hold share options (2018: none).

Key management personnel are those individuals who have the authority and responsibility for planning, directing and controlling the activities of the group.

The directors are considered to represent the key management personnel of the group and therefore the director's remuneration represents the remuneration of the key management.



continued...

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**
**FOR THE PERIOD 30 SEPTEMBER 2018 TO 1 FEBRUARY 2020**

## 6. OPERATING LOSS

The operating loss is stated after charging/(crediting):

| | Period 30.9.18 to 1.2.20 £'000 | Period 1.10.17 to 29.9.18 £'000 |
|---|---|---|
| Other operating leases | 15,622 | 13,197 |
| Depreciation - owned assets | 3,745 | 2,898 |
| Negative goodwill amortisation | 13 | (121) |
| Trademarks amortisation | 14 | 18 |
| Acquired intangibles amortisation | 22 | 75 |
| Auditors' remuneration | 70 | - |
| Auditors remuneration - audit of group financial statements | - | 21 |
| Auditors remuneration - audit of company financial statements | - | 30 |
| Auditors remuneration - other non-audit services | - | 3 |
| Foreign exchange differences | (167) | 610 |
| Impairment of tangible assets | (646) | 913 |
| Rents receivable | (582) | (219) |
| Exceptional items | 1,453 | 6,068 |

## 7. EXCEPTIONAL ITEMS

| | Period 30.9.18 to 1.2.20 £'000 | Period 1.10.17 to 29.9.18 £'000 |
|---|---|---|
| Exceptional items | (1,453) | (6,068) |



continued...

| | Period 30.9.18 to 1.2.20 £'000 | Period 1.10.17 to 29.9.18 £'000 |
|---|---|---|
| Onerous lease provisions | 1,246 | (1,704) |
| Release of onerous lease provision | (976) | 124 |
| Re-organisation costs | 722 | (401) |
| Share based payment charge | - | 309 |
| Other exceptional item | (581) | (368) |
| Loss on disposal of tangible fixed assets | 6 | (1,255) |
| Refinancing related costs/fees | 108 | (1,538) |
| Prior year credits from property restructure (2018 cost) | (387) | 427 |
| Onerous commercial contract | 1,167 | (896) |
| Store closure | 148 | (731) |
| Revaluation of investment property | - | (35) |
| | 1,453 | (6,068) |

8. **INTEREST PAYABLE AND SIMILAR EXPENSES**

| | Period 30.9.18 to 1.2.20 £'000 | Period 1.10.17 to 29.9.18 £'000 |
|---|---|---|
| Bank interest | 1,238 | 452 |
| On other non-bank loans | 1,394 | 590 |
| | 2,632 | 1,042 |



continued...

## 9. TAXATION

**Analysis of the tax charge/(credit)**

The tax charge/(credit) on the loss for the period was as follows:

| | Period 30.9.18 to 1.2.20 £'000 | Period 1.10.17 to 29.9.18 £'000 |
|---|---|---|
| Current tax: | | |
| UK corporation tax | - | 79 |
| Double taxation relief | - | (12) |
| Adjustment for prior year | (9) | (79) |
| Foreign corporation tax | 87 | 87 |
| Total current tax | 78 | 75 |
| | | |
| Deferred tax: | | |
| Origination and reversal of timing differences | 1,582 | (720) |
| Adjustments in respect of prior periods | - | (10) |
| Total deferred tax | 1,582 | (730) |
| | | |
| Tax on loss | 1,660 | (655) |



continued...

9. **TAXATION - continued**

**Reconciliation of total tax charge/(credit) included in profit and loss**

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below:

| | Period 30.9.18 to 1.2.20 £'000 | Period 1.10.17 to 29.9.18 £'000 |
|---|---|---|
| Loss before tax | (7,522) | (10,544) |
| Loss multiplied by the standard rate of corporation tax in the UK of 19 % (2018 - 19 %) | (1,429) | (2,003) |
| Effects of: | | |
| Expenses not deductible for tax purposes | 573 | 1,217 |
| Income not taxable for tax purposes | 143 | 355 |
| Adjustments to tax charge in respect of previous periods consideration | 133 | (17) |
| Unrecognised losses carried forward upon which no deferred tax | 820 | 83 |
| Recognition of deferred tax on brought forward unrecognised timing differences | - | (90) |
| Tax rate change on deferred tax | - | (125) |
| Effect of differing tax rates in overseas territories | (280) | (75) |
| Derecogition of deferred tax asset | 1,624 | - |
| Foreign branch tax not creditable in current period | 75 | - |
| Total tax charge/(credit) | 1,659 | (655) |

**Tax effects relating to effects of other comprehensive income**

| | 30.9.18 to 1.2.20 | | |
|---|---|---|---|
| | Gross £'000 | Tax £'000 | Net £'000 |
| Exchange differences on translation of foreign subsidiaries | 184 | - | 184 |
| | 184 | - | 184 |

| | 1.10.17 to 29.9.18 | | |
|---|---|---|---|
| | Gross £'000 | Tax £'000 | Net £'000 |
| Exchange differences on translation of foreign subsidiaries | (126) | - | (126) |
| | (126) | - | (126) |



continued...

## 10. PROFIT FOR THE COMPANY FOR THE 70 WEEK PERIOD ENDED 1 FEBRUARY 2020

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

## 11. INTANGIBLE FIXED ASSETS

**Group**

| | Negative goodwill £'000 | Trademarks £'000 | Acquired intangibles £'000 | Totals £'000 |
|---|---|---|---|---|
| **COST** | | | | |
| At 30 September 2018 | (308) | 735 | 224 | 651 |
| Additions | - | 1 | - | 1 |
| Exchange differences | 27 | - | (19) | 8 |
| At 1 February 2020 | (281) | 736 | 205 | 660 |
| **AMORTISATION** | | | | |
| At 30 September 2018 | (322) | 646 | 199 | 523 |
| Amortisation for period | 13 | 14 | 22 | 49 |
| Exchange differences | 28 | - | (17) | 11 |
| At 1 February 2020 | (281) | 660 | 204 | 583 |
| **NET BOOK VALUE** | | | | |
| At 1 February 2020 | - | 76 | 1 | 77 |
| At 29 September 2018 | 14 | 89 | 25 | 128 |

**Company**

| | Trademarks £'000 |
|---|---|
| **COST** | |
| At 30 September 2018 | 736 |
| Additions | 1 |
| At 1 February 2020 | 737 |
| **AMORTISATION** | |
| At 30 September 2018 | 646 |
| Amortisation for period | 14 |
| At 1 February 2020 | 660 |
| **NET BOOK VALUE** | |
| At 1 February 2020 | 77 |
| At 29 September 2018 | 90 |



continued...

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**
**FOR THE PERIOD 30 SEPTEMBER 2018 TO 1 FEBRUARY 2020**

## 12. PROPERTY, PLANT AND EQUIPMENT

**Group**

| | Investment property £'000 | Leasehold land and buildings £'000 | Refurbs, F&F and equipment £'000 | Motor vehicles £'000 | Totals £'000 |
|---|---|---|---|---|---|
| **COST** | | | | | |
| At 30 September 2018 | 750 | 4,800 | 36,681 | 119 | 42,350 |
| Additions | - | 108 | 2,530 | - | 2,638 |
| Disposals | (750) | (191) | (1,175) | - | (2,116) |
| Exchange differences | - | (3) | (58) | - | (61) |
| At 1 February 2020 | - | 4,714 | 37,978 | 119 | 42,811 |
| **DEPRECIATION** | | | | | |
| At 30 September 2018 | - | 2,625 | 28,496 | 119 | 31,240 |
| Charge for period | - | 537 | 3,208 | - | 3,745 |
| Eliminated on disposal | - | (166) | (1,047) | - | (1,213) |
| Impairments | - | 1,606 | (380) | - | 1,226 |
| Exchange differences | - | (2) | (33) | - | (35) |
| At 1 February 2020 | - | 4,600 | 30,244 | 119 | 34,963 |
| **NET BOOK VALUE** | | | | | |
| At 1 February 2020 | - | 114 | 7,734 | - | 7,848 |
| At 29 September 2018 | 750 | 2,175 | 8,185 | - | 11,110 |

**Company**

| | Investment property £'000 | Leasehold land and buildings £'000 | Refurbs, F&F and equipment £'000 | Motor vehicles £'000 | Totals £'000 |
|---|---|---|---|---|---|
| **COST** | | | | | |
| At 30 September 2018 | 750 | 4,693 | 35,129 | 119 | 40,691 |
| Additions | - | 90 | 2,302 | - | 2,392 |
| Disposals | (750) | (103) | (324) | - | (1,177) |
| At 1 February 2020 | - | 4,680 | 37,107 | 119 | 41,906 |
| **DEPRECIATION** | | | | | |
| At 30 September 2018 | - | 2,521 | 27,346 | 119 | 29,986 |
| Charge for period | - | 531 | 3,024 | - | 3,555 |
| Eliminated on disposal | - | (78) | (246) | - | (324) |
| Impairments | - | 1,606 | (380) | - | 1,226 |
| At 1 February 2020 | - | 4,580 | 29,744 | 119 | 34,443 |
| **NET BOOK VALUE** | | | | | |
| At 1 February 2020 | - | 100 | 7,363 | - | 7,463 |
| At 29 September 2018 | 750 | 2,172 | 7,783 | - | 10,705 |



continued...

## 13. FIXED ASSET INVESTMENTS

**Company**

| | Shares in group undertakings £'000 |
|---|---|
| **COST** | |
| At 30 September 2018 and 1 February 2020 | 9,180 |
| **PROVISIONS** | |
| At 30 September 2018 | 9,000 |
| Provision for period | 180 |
| At 1 February 2020 | 9,180 |
| **NET BOOK VALUE** | |
| At 1 February 2020 | - |
| At 29 September 2018 | 180 |

The company has holdings in the share capital of the following companies:

| Company | Registered office | Shares held Class | % |
|---|---|---|---|
| Subsidiary undertakingsdirectly held | | | |
| Kew 159 Limited | 159 Mortlake Road, Richmond, Surrey, TW9 4AW | Ordinary | 100 |
| RWH (Bluebird) Limited | 159 Mortlake Road, Richmond, Surrey, TW9 4AW | Ordinary | 100 |
| Robinson Webster International (Holdings) BV | Naritaweg 165, Telestone 8, 1043 BW Amsterdam, The Netherlands | Ordinary | 100 |
| Jigsaw Australia Pty Limited | Level 11, 1 Margaret Street, Sydney, NSW 2000, Australia | Ordinary | 100 |
| Jigsaw USA (Delaware) Inc | 10960 Wilshire Blvd, 7th Floor, Los Angeles, CA 90024 | Ordinary | 100 |
| Bonfine Limited* | 31/F., Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong | Ordinary | 100 |
| Jigsaw USA (California) Inc ** | 10960 Wilshire Blvd, 7th Floor, Los Angeles, CA 90024 | Ordinary | 100 |



continued...

## 13. FIXED ASSET INVESTMENTS - continued

* Subsidiary of Robinson Webster International Holdings BV
** 100% subsidiary of Jigsaw USA (Delaware) Inc

A full listing of members is available at each company's registered office.

All companies have a 1 February 2020 year end.

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

| | Principal activity |
|---|---|
| Kew 159 Limited | Non trading |
| RWH (Bluebird) Limited | Clothing retailer |
| Robinson Webster International (Holdings) BV | Holding company |
| Jigsaw Australia Pty Limited | Clothing retailer |
| Jigsaw USA (Delaware) Inc | Holding company |
| Bonfine Limited | Manufacturing / buying agent |
| Jigsaw USA (California) Inc | Clothing retailer |

## 14. STOCKS

| | Group | | Company | |
|---|---|---|---|---|
| | 2020 | 2018 | 2020 | 2018 |
| | £'000 | £'000 | £'000 | £'000 |
| Raw materials | 1,056 | 434 | 1,056 | 423 |
| Finished goods | 11,566 | 18,583 | 9,890 | 16,072 |
| Finished goods in transit | 949 | 2,122 | 292 | 1,603 |
| | 13,571 | 21,139 | 11,238 | 18,098 |

Stock recognised in cost of sales during the year as an expense was £48.2m (2018: £37.7m).

## 15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group | | Company | |
|---|---|---|---|---|
| | 2020 | 2018 | 2020 | 2018 |
| | £'000 | £'000 | £'000 | £'000 |
| Trade debtors | 1,151 | 1,225 | 1,125 | 936 |
| Amounts owed by group undertakings | - | - | 656 | 7,265 |
| Other debtors | 348 | 389 | 278 | 308 |
| Deferred tax asset | 5 | 1,587 | - | 1,614 |
| Prepayments and accrued income | 3,016 | 5,607 | 2,956 | 5,529 |
| | 4,520 | 8,808 | 5,015 | 15,652 |



continued...

15. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued**

Amounts owed by group undertakings are unsecured, repayable on demand and interest is chargeable at base rate plus 0.5%.

**Deferred tax**

The deferred tax asset included in the statement of financial position is calculated at 19% (2018: 17%) and comprises:

| | 2020<br>£'000 | 2018<br>£'000 |
|---|---|---|
| Decelerated capital allowances | - | 1,329 |
| Other short term timing differences | - | 258 |
| | - | 1,587 |

The deferred tax asset included in the statement of financial position is calculated at 19% (2018: 17%) and comprises:

| | Period<br>1.10.18<br>to<br>1.2.20<br>£'000 | Period<br>2.10.17<br>to<br>30.9.18<br>£'000 |
|---|---|---|
| Tax losses carried forward | - | - |
| Decelerated capital allowances | - | 1,329 |
| Other short term timing differences | - | 258 |
| | - | 1,587 |



continued...

15. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued**

The movement in the deferred tax asset during the year was:

| **Group** | Period 30.9.18 to 1.2.20 £'000 | Period 1.10.17 to 29.9.18 £'000 |
|---|---|---|
| As at 30 September 2018 | 1,587 | 857 |
| Amount credited / (charged) to the income statement | (1,587) | 730 |
| As at 1 February 2020 | - | 1,587 |

| **Company** | Period 30.9.18 to 1.2.20 £'000 | Period 1.10.17 to 29.9.18 £'000 |
|---|---|---|
| As at 30 September 2018 | 1,614 | 882 |
| Amount credited / (charged) to the income statement | (1,614) | 732 |
| As at 1 February 2020 | - | 1,614 |

Deferred tax has been measured at the rate which it is expected to apply in the period the timing difference is expected to reverse.

A deferred tax asset has not been recognised in respect of the following balances in the financial statements on the grounds that in the directors' opinion, it is not probable that they will be recovered against deferred tax liabilities or future taxable profits.

The unprovided deferred tax is calculated at 19% (2018: 17%) and comprises:

| | 2020 £'000 | 2018 £'000 |
|---|---|---|
| Other timing differences | 8,495 | - |
| Tax losses carried forward | 4,511 | 4,511 |
| As at 1 February 2020 | 13,006 | 4,511 |

**Factors affecting current and future tax charges**

During the period, the main rate of UK corporation tax rate was 19%. The corporation tax rate was set to reduce to 17% from 1 April 2020. However, this was cancelled in March 2020 but 17% remains the rate substantively enacted at the statement of financial position date.

During the year beginning 2 February 2020, the net reversal of deferred tax assets and liabilities is expected to neither increase or decrease the corporation tax charge for the year. This is due to the expected capital allowances approximately equalling depreciation.



continued...

## 16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group | | Company | |
|---|---|---|---|---|
| | 2020 | 2018 | 2020 | 2018 |
| | £'000 | £'000 | £'000 | £'000 |
| Revolving credit facility | 3,828 | 7,131 | 3,828 | 7,131 |
| Trade creditors | 8,747 | 12,887 | 6,739 | 9,094 |
| Amounts owed to group undertakings | 739 | 165 | 5,210 | 5,979 |
| Amounts owed to participating interests | 599 | 160 | 599 | 160 |
| Corporation tax | 128 | 79 | 106 | 52 |
| Social security and other taxes | 584 | 759 | 801 | 733 |
| Other creditors | 2,185 | 293 | 2,118 | 223 |
| Accruals and deferred income | 8,508 | 11,434 | 7,892 | 10,296 |
| | 25,318 | 32,908 | 27,293 | 33,668 |

## 17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | Group | | Company | |
|---|---|---|---|---|
| | 2020 | 2018 | 2020 | 2018 |
| | £'000 | £'000 | £'000 | £'000 |
| Amounts owed to group undertakings | 5,190 | 5,051 | 5,190 | 5,051 |
| Amounts owed to participating interests | 5,190 | 5,051 | 5,190 | 5,051 |
| | 10,380 | 10,102 | 10,380 | 10,102 |



continued...

## 17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR - continued

The credit facility is with Secure Trust Bank and is secured on the stock and concession debtors within the company. Interest is charged based on bank base rates plus 3% for concession receivables and plus 4% for the inventory facility.

Mountain Berg Limited ('MBL') and Robinson Property Company Limited ('RPCL') invested £10m into the company by way of preferred equity and shareholder loans. The rate of interest on both loans is 10% of which 5% is payable in the year and 5% is deferred.

Following the successful completion of the CVA, MBL and RPCL have restructured their debt and equity. The new shares do not have the same rights for the holders to receive a fixed level of dividend. The current classes of preference shares and loan notes held by MBL and RPCL will be re-designated as zero-coupon preference shares. MBL and RPCL have accepted the new preference shares in full and final settlement of any actions, claims, rights of demands against the group arising from sums due under the preference shares and/or loan note.

MBL invested £2m by way of short-term working capital loans (0.75% interest pcm) in December 2019, £0.45m of the balance was repaid before the year end. Following the year end date a further £0.55m was repaid. MBL and RPCL, in January and February of 2020, provided further short-term working capital loans of £2.5m and £0.5m respectively. In July 2020 MBL provided a further £1.7m of short term loans to support the business through the successful CVA period which was completed on 1st October 2020. These short-term loans totalled £4.7m in total. The interest rate on all these short-term loans is 0.75% pcm above base rate.

As part of the CVA, £3.7m of the short-term loans have been deferred to the anticipated completion date of the CVA period, April 2023. Interest continues to accrue on these loans. The interest on the remaining £1m of short-term loan is being repaid on a quarterly basis in line with the terms of the loan agreement.

As part of the CVA MBL have provided a Revolving Credit Facility (RCF) of £4m. The interest rate is 0.75% pcm above the Bank of England base rate.

**Creditors and accruals**
The CVA resulted in the compromise of certain non-critical stock and non-stock creditors. The amount payable to each non-critical creditor shall be approximately 8% of the allowed CVA claim of the non-critical creditor.

Other creditor balances have also been written off or reduced as a result of the CVA. Rent free periods held in accruals are no longer relevant as the CVA has effectively served all properties with new contractual terms across all lease categories. Capital contribution on those leases that have been exited in the post balance sheet period will also have been written down.

## 18. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

**Group**

| | Non-cancellable operating leases | |
|---|---|---|
| | 2020 | 2018 |
| | £'000 | £'000 |
| Within one year | 11,463 | 11,974 |
| Between one and five years | 36,547 | 39,296 |
| In more than five years | 22,180 | 31,700 |
| | 70,190 | 82,970 |



continued...

18. **LEASING AGREEMENTS - continued**

The completion of the CVA on the 1st October 2020 has resulted in a fundamental reorganisation of the group's property portfolio and lease terms. Following the CVA there are four categories of lease of which each have a different right to termination. There is an ongoing lease portfolio review exercise that will conclude in the first quarter of calendar year 2021, with the resulting average lease length likely to be materially less than the current average lease length of 3.3 years.

**Company**

| | Non-cancellable operating leases | |
|---|---|---|
| | 2020 | 2018 |
| | £'000 | £'000 |
| Within one year | 11,153 | 11,178 |
| Between one and five years | 36,175 | 37,806 |
| In more than five years | 22,180 | 31,700 |
| | 69,508 | 80,684 |

19. **SECURED DEBTS**

The following secured debts are included within creditors:

| | Group | |
|---|---|---|
| | 2020 | 2018 |
| | £'000 | £'000 |
| Revolving credit facility | 3,828 | 7,131 |

The revolving credit facility is secured through fixed and floating charges on the group's assets.

20. **FINANCIAL INSTRUMENTS**

| | Group | | Company | |
|---|---|---|---|---|
| | 2020 | 2018 | 2020 | 2018 |
| | £'000 | £'000 | £'000 | £'000 |
| **Financial assets** | | | | |
| Financial assets measured at amortised cost | 3,233 | 4,579 | 6,980 | 10,963 |
| **Financial liabilities** | | | | |
| Financial liabilities measured at amortised cost | 26,409 | 27,043 | 28,805 | 27,869 |

Financial assets measured at amortised cost comprise trade debtors, amounts owed from group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, trade creditors, other creditors, amounts owed to immediate parent, amounts owed to group undertakings and accruals.

Information regarding the group's exposure to and management of credit risk, liquidity risk, interest rate risk, and foreign exchange risk is included in the Directors' report.

The total interest income and interest expense for financial assets and financial liabilities that are not measured at fair value through profit or loss was £nil (2018: £nil) and £2,637,000 (2018: £1,042,000) respectively.



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## 21. PROVISIONS FOR LIABILITIES

| | Group | | Company | |
|---|---|---|---|---|
| | 2020 | 2018 | 2020 | 2018 |
| | £'000 | £'000 | £'000 | £'000 |
| Other provisions | 1,809 | 1,882 | 1,773 | 1,882 |
| Aggregate amounts | 1,809 | 1,882 | 1,773 | 1,882 |

**Group**

| | Onerouslease |
|---|---|
| | £'000 |
| Balance at 30 September 2018 | 1,882 |
| Credit to Statement of Comprehensive Income during period | (73) |
| Balance at 1 February 2020 | 1,809 |

**Company**

| | Onerouslease |
|---|---|
| | £'000 |
| Balance at 30 September 2018 | 1,882 |
| Credit to Income Statement during period | (109) |
| Balance at 1 February 2020 | 1,773 |

The provision for liabilities relates to the onerous lease provision.

## 22. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

| Number: | Class: | Nominal value: | 2020 £'000 | 2018 £'000 |
|---|---|---|---|---|
| 90,416 | Ordinary | £1 | 90 | 90 |



continued...

## 22. CALLED UP SHARE CAPITAL - continued

Following the successful completion of the CVA MBL and RPCL have restructured their debt and equity, as set out below.

The current classes of preference shares held by MBL and RPCL will be re-designated as zero-coupon preference shares. The new shares (classified as equity) do not have the same rights for the holders to receive a fixed level of dividend.

MBL and RPCL have subscribed for new "A" and "B" preference shares, in order to settle all sums which are due from the group in respect of:

- the loan notes issued under the loan note instrument dated 29 March 2018 ("the Loan Notes");
- all interest on the Loan Notes;
- management charges;
- the current redeemable preference shares; and
- any unpaid dividends due under the current redeemable preference shares.

MBL and RPCL have accepted the new preference shares in full and final settlement of any actions, claims, rights of demands against the group arising from sums due under the preference shares and/or Loan Note.

MBL will also receive additional new shares by way of 7,700,000 preferred ordinary shares of £0.00001 each.

## 23. CONTROLLING PARTY

The ultimate parent company is Mountain Berg Holdings Limited.

David Ross is the ultimate owner of Robinson Webster (Holdings) Limited through Mountain Berg Holdings Limited.

## 24. CONTINGENT LIABILITIES

**Group and company**

| | 2020<br>£'000 | 2018<br>£'000 |
|---|---|---|
| Bank guarantees | - | 290 |
| Duty deferment guarantees | 500 | 500 |

The company has also provided letters of support to its subsidiaries Kew 159 Limited and RWH (Bluebird) Limited.



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## 25. RELATED PARTY TRANSACTIONS

During the financial period key management personnel were the statutory directors of the company who are named in the company information section of these financial statements. Their total remuneration is set out in note 6 of these financial statements.

The following other related party transactions occurred during the period:

During the period the group paid £49,589 (2018: £398,832) to another group company in relation to loan interest and other management fees

During the period the group made payment of £102,041 (2018: £42,740) to a shareholder in relation to loan interest.

During the period the group paid rent of £1,324,082 (2018: £935,019) to a company controlled by a director of the company. The balance outstanding at the period end was a prepayment of £247,694 (2017: £101,146).

During the period the company paid rent of £193,665 (2018: £188,768) for three properties which a director of the company has an interest in. The balance outstanding at the period end was a prepayment of £5,650 (2018: £1,123).



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## 26. POST BALANCE SHEET EVENTS

**Company Voluntary Arrangement (CVA)**

As is well documented, the market conditions for retailers with a high street presence has been extremely challenging, with increased competition and material increases in payroll costs from National Living Wage and pension contributions, while property costs have also continued to increase, in particular rent and business rates.

As a result of these conditions and coupled with the lockdown periods from the Covid pandemic, where non-essential retail could not trade in a physical environment for the period from 20th March to 15 June 2020, the directors took the difficult decision to enter RWHL into a Company Voluntary Arrangement (CVA).

In summary the creditors approved the CVA plans on the 3rd September and the group successfully completed the CVA challenge period on 1st October 2020. The CVA has a tenant right to immediately exit 17 poor performing stores, with the potential to exit a further 19 potentially onerous property leases by giving notice by either January or August 2021. Following the CVA virtually all rents with go-forward properties are on flexible turnover deals with low base rents. Pre CVA the average lease length was 3.3 years. Whilst the revised lease length will depend on the ultimate deals struck with the Landlords the lease length will be materially less than the current duration.

Additionally, under the terms of the CVA, the group has implemented a plan to reduce costs from the rationalisation of the supplier base, including the compromise of non-critical supplier balances. Prior to the launch of the CVA, in July 2020, MBL provided an additional £1.7m of short-term working capital loans. Conditional on completion of the CVA, MBL made £4m of further investment available to the group by way of a Revolving Credit Facility.

Further balance sheet restructuring was implemented as a direct result of the CVA with both MBL and RWHL capitalising their original 2018 loans and preference shares, totalling £10m plus accrued interest. This capitalisation process has significantly reduced the go forward interest burden of the Group as these debt instruments no longer attract interest.

Finally, £1.5m will be accrued to fund the Creditor Compensation fund. RWHL are committed to pay into the fund via the Supervisor (KPMG) over a two-year period, at £62,500 per month.

**Covid Pandemic**

As at the time of preparing this report the Covid pandemic has clearly severely impacted economies globally and specifically consumer facing businesses. Along with other non-essential retail, Jigsaw closed all its UK based stores and physical concessions on the 20 March 2020, reopening on or around the end of June. The second lock down occurred on the 2 November 2020, again forcing non-essential retail to close in the UK (other than Scotland and Northern Ireland that were trading under tiered social distancing), for a month in duration, reopening on the 2 December. In mid-December 2020 with the introduction of the Tiered system, stores in specific areas had to be closed. This impacted approximately half of the business's physical locations and then from the 5th January 2021 there has been announced a further full nationwide lock down to at least 21st February 2021.

The impact of these lock down measures on the group store estate was to close 77 own stores & outlets and 42 concessions. The actual lock down closure periods and the uncertainty on the high street post reopening, has resulted in the loss of ex-vat sales, in the post balance sheet period, of approximately £31m. The business has relied on its online business over the period, with approximately 60% of sales being generated through online channels.



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The group has accessed government Covid support schemes, including (as at December 2020) the Job Retention Scheme, retail grants, and a rates holiday on retail stores. With the reduction in non-essential retail staff hours, head office restructure and the implementation of the reduced store portfolio operating on flexible turnover deals the group has managed to significantly rationalise its cost base.

The group has implemented deeper sales offers during the course of the year, to run the business efficiently for cash and to ensure stock is still being cleared effectively and when seasonally appropriate. The online (including online concessions) business has taken advantage of the lock down period and has traded in line with expectations.

**Closure of non-core operations**

Following the balance sheet date the directors made the decision to close the Australia business. This decision was made in July 2020, with the final trading of the David Jones concessions ceasing in September 2020. Three Australia own stores and nine David Jones concessions were closed. Stock that was not sold through the David Jones run off period was transferred back to RWHL business and sold to third party wholesale channels.

Finally, the decision was made in July 2020 to cease the menswear category. This was to ensure that the business is focused around its heritage of higher margin womenswear and accessory products.