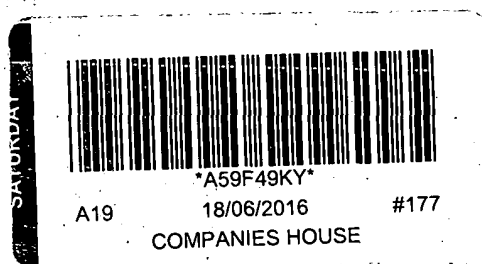


Together Limited

**Directors' report and financial
statements**

Registered number 1818712
For the year ended 29 February 2016



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Directors' report

The directors present their directors' report and financial statements for the year ended 29 February 2016.

The company has taken advantage of the small companies exemption from the requirement to prepare a strategic report.

Company registration number

The registration number of the company is 1818712.

Principal activities and business review

The principal activity of the company is the provision of womenswear designs to leading mail order houses in the United Kingdom and overseas under the brand(s) of Together. Royalties are payable to the company for designs sold through mail order houses. In addition to the UK office, the company has a branch in Hong Kong.

The results for the company show a profit before tax of £216,000 (*2015: profit £355,000*) for the year and turnover of £6,521,000 (*2015: £4,350,000*). The company has net liabilities of £3,059,000 (*2015: net liabilities of £3,248,000*).

Going concern

The measures instituted by the directors to preserve cash and secure additional contracts have begun to deliver positive results, demonstrated by the profit for the year.

An intercompany loan is provided to the company by Otto (GmbH & Co KG), Hamburg, Germany with a line of credit up to £7 million (£5 million drawn down as at 29 February 2016). This is due to expire on 30 April 2017, however the directors do not anticipate that there will be any circumstances under which the loan term will not be extended.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Principal risks and uncertainties

Together specialise in the design of womenswear designs for the 35+ mail order market, and in the past has sought to extend its offer to more customers outside of the Otto Group.

The principal risk for the company is that the designs created will not be selected by their customers to be featured in their action chain.

Proposed dividend

No dividend was paid or proposed during the year (*2015: £nil*).

Directors' report *(continued)*

Directors

The directors who held office during the year and to the date of this report were as follows:

J Brennan
J Hinchcliffe
L Finn

Charitable and political contributions

The company made £700 in charitable donations (2015: £nil) and incurred no political expenditure during the year (2015: £nil).

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

In accordance with Section 487 of the Companies Act 2006, KPMG LLP are deemed to be reappointed as auditor of the company and will therefore continue in office.

By order of the board


L Gladdish
Secretary

26-28 Conway Street
London
W1T 6BH

Company registered number: 1818712

16th May 2016

Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.



KPMG LLP

1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA
United Kingdom

Independent auditor's report to the members of Together Limited

We have audited the financial statements of Together Limited for the year ended 29 February 2016 on pages 6 to 19. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 29 February 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

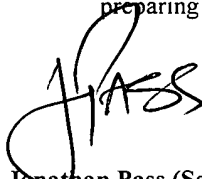
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statement.

Independent auditor's report to the members of Together Limited *(continued)*

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption in not preparing a strategic report.



Jonathan Pass (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

1 Sovereign Square

Sovereign Street

Leeds

LS1 4DA

16 May 2016

Profit and loss account and statement of other comprehensive income

for the year ended 29 February 2016

	<i>Note</i>	2016 £000	2015 £000
Turnover	<i>1</i>	6,521	4,350
Cost of sales		(5,233)	(2,899)
Gross profit		1,288	1,451
Distribution costs		(591)	(591)
Administrative expenses		(349)	(348)
Operating profit		348	512
Interest payable and similar charges	<i>5</i>	(132)	(157)
Profit on ordinary activities before taxation	<i>2</i>	216	355
Tax on profit on ordinary activities	<i>6</i>	(27)	78
Profit on ordinary activities after taxation		189	433

There are no recognised gains and losses other than those stated above and therefore no separate statement of other comprehensive income has been prepared.

Turnover and operating profit are wholly attributable to continuing operations.

The notes on pages 9 to 19 form part of these financial statements.

Balance sheet

at 29 February 2016

	Note	2016 £000	2015 £000
Fixed assets			
Tangible assets	7	29	31
Current assets			
Debtors	8	2,242	2,295
Cash at bank and in hand		461	178
		<u>2,703</u>	<u>2,473</u>
Creditors: amounts falling due within one year	9	<u>(761)</u>	<u>(622)</u>
Net current asset		<u>1,942</u>	<u>1,851</u>
Total assets less current liabilities		<u>1,971</u>	<u>1,882</u>
Creditors: amounts falling due in more than one year	10	<u>(5,030)</u>	<u>(5,130)</u>
Net liabilities		<u>(3,059)</u>	<u>(3,248)</u>
Capital and reserves			
Called up share capital	12	200	200
Share premium		5,800	5,800
Profit and loss account		(9,059)	(9,248)
Shareholders' deficit		<u>(3,059)</u>	<u>(3,248)</u>

The notes on pages 9 to 19 form part of these financial statements.

These financial statements were approved by the board of directors on
were signed on its behalf by:

16 May 2016 and

J Brennan
Director

Company registration number: 1818712

Statement of Changes in Equity

	Called up share capital	Profit and loss account	Share Premium Reserve	Total equity
	£'000	£'000		£'000
Balance at 1 March 2015	200	(9,681)	5,800	(3,681)
Profit for the period	-	433	-	433
Balance at 28 February 2015	200	(9,248)	5,800	(3,248)
	Called up share capital	Profit and loss account	Share Premium Reserve	Total equity
	£'000	£'000		£'000
Balance at 1 March 2016	200	(9,248)	5,800	(3,248)
Profit for the period	-	189	-	189
Balance at 29 February 2016	200	(9,059)	5,800	(3,059)

The notes on pages 9 to 19 form part of these financial statements.

Notes (forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements. Together Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling.

In the transition to FRS 102 from old UK GAAP, the Company has made no measurement and recognition adjustments.

The Company's ultimate parent undertaking, Otto Aktiengesellschaft fuer Beteiligungen includes the Company in its consolidated financial statements. The consolidated financial statements of Otto Aktiengesellschaft fuer Beteiligungen Hamburg, Germany are available to the public and may be obtained from Federal Gazette (Bundesanzeiger) at www.ebundesanzeiger.de only.] In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Otto Aktiengesellschaft fuer Beteiligungen include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

Notes (continued)

1 Accounting policies (continued)

1.2 Going concern

The financial statements have been prepared on the going concern basis, which the directors believe to be appropriate for the reasons set out below. The company has reported an operating profit for the year ending 29 February 2016, and as at that date, the company's current liabilities exceeded its assets by £3,059,000. An intercompany loan is provided to the company by Otto (GmbH & Co KG), Hamburg, Germany with a line of credit up to £7 million (£5 million drawn down as at 29 February 2016). This facility is due to expire on 30 April 2017 however the directors are not aware of any circumstances under which the facility will not be renewed.

The directors instigated a cost reduction programme at the beginning of 2011 which enabled the company to finance the expenditure of the year in addition to not increasing the intercompany loan amount, and this has been continued to date.

The directors believe that the going concern assumption is appropriate as the group facility remains in place.

1.3 Turnover

Turnover represents the amounts (excluding Value Added Tax) derived from the provision of goods and services to customers and franchise income receivable during the year.

1.4 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset or liability is recognised and the corresponding amount that can be deducted or assessed for tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes (continued)

1 Accounting policies (continued)

1.5 Retirement benefits

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

1.6 Fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Short leasehold improvements	-	5 years
Plant and machinery	-	2 to 5 years
Motor vehicles	-	2 to 5 years
Fixtures, fittings, tools and equipment	-	2 to 5 years

1.7 Design costs

Design costs relating to future seasons, where the designs are not yet available for sale, are included in prepayments.

1.8 Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account. Where a forward foreign exchange contract has been entered into for the purpose of hedging against income in foreign currency, the rate specified in the contract has been used to value assets and liabilities at the balance sheet date.

Notes (continued)

1 Accounting policies (continued)

1.9 Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.10 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

1.11 Intra-group financial instruments

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company considers these to be insurance arrangements and accounts for them as such. In this respect, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

Notes *(continued)*

2 Profit on ordinary activities before taxation

	2016 £000	2015 £000
<i>Profit on ordinary activities before taxation is stated after charging:</i>		
Depreciation and other amounts written off tangible fixed assets	15	15
Rentals payable under operating leases		
- plant and machinery	26	31
- other	156	138
	<hr/>	<hr/>
<i>Auditor's remuneration:</i>		
Audit of these financial statements	28	27
	<hr/>	<hr/>

3 Remuneration of directors

	2016 £000	2015 £000
Directors' emoluments:		
As directors	342	379
	<hr/>	<hr/>

The emoluments of the highest paid director were £217,132 (2015: £249,265), and company pension contributions of £8,535 (2015: £8,712) were made to a money purchase scheme on behalf of this director.

Retirement benefits are accruing to the following number of directors under:

	Number of directors 2016	2015
Money purchase schemes	2	2
	<hr/>	<hr/>

Notes *(continued)*

4 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2016	2015
Sales	8	7
Administration	3	3
Design and sampling	26	22
	<hr/>	<hr/>
	37	32
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	2016 £000	2015 £000
Wages and salaries	1,232	1,242
Social security costs	120	139
Other pension costs (see note 15)	24	25
	<hr/>	<hr/>
	1,376	1,406
	<hr/>	<hr/>

5 Interest payable and similar charges

	2016 £000	2015 £000
Amounts payable on intercompany loan	125	131
Net loss on foreign exchange transactions	7	26
	<hr/>	<hr/>
	132	157
	<hr/>	<hr/>

Notes (continued)

6 Taxation

	2016 £000	2015 £000
<i>Current taxation:</i>		
Overseas taxation	(27)	(78)

Factors affecting current period tax charge

The current tax credit for the period is lower (2015: lower) than the standard rate of corporation tax in the UK 20% (2015: 21%). The differences are explained below.

	2016 £000	2015 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	216	355
Current tax at 20% (2015: 21%)	43	75
<i>Effects of:</i>		
Items not deductible for tax purposes	25	30
Trading losses brought forward	(57)	(93)
Depreciation for period in excess of capital allowances	(11)	(12)
Overseas withholding tax received	(27)	(78)
Current tax credit	(27)	(78)

The potential deferred tax asset has not been recognised in the financial statements as there is currently inadequate certainty that the company will have sufficient profits to utilise this in the near future. The full potential asset, at 18% (2015: 20%) is as follows:

	2015 Potential asset £000	2014 Potential asset £000
Difference between accumulated depreciation and capital allowances	55	56
Trading losses	1,225	1,297
	1,280	1,353

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. This will reduce the company's future current tax charge accordingly.

Notes (continued)

7 Tangible fixed assets

	Short leasehold improvements £000	Plant and machinery and motor vehicles £000	Fixtures, fittings, tools and equipment £000	Total £000
<i>Cost</i>				
At beginning of year	53	191	40	284
Additions	-	11	2	13
Disposals	-	(32)	(2)	(34)
At end of year	53	170	40	263
<i>Depreciation</i>				
At beginning of year	43	176	34	253
Charge for year	4	9	2	15
Disposals	-	(32)	(2)	(34)
At end of year	47	153	34	234
<i>Net book value</i>				
At 29 February 2016	6	17	6	29
At 28 February 2015	10	15	6	31

8 Debtors

	2016 £000	2015 £000
Trade debtors	857	823
Amounts owed by group undertakings	170	236
Other debtors	64	33
Prepayments and accrued income	1,151	1,203
	2,242	2,295

Notes (continued)

9 Creditors: amounts falling due within one year

	2016 £000	2015 £000
Trade creditors	327	313
Amounts owed to group undertakings	277	132
Taxes and social security	23	42
Other creditors	36	18
Accruals and deferred income	98	117
	<u>761</u>	<u>622</u>

10 Creditors: amounts falling due in more than one year

	2016 £000	2015 £000
Intercompany loan	5,030	5,130
	<u>5,030</u>	<u>5,130</u>

11 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost.

Terms and debt repayment schedule

	Nominal interest rate	Year of maturity	2016 £	2015 £
Intercompany Loan	2.5%	30/04/2017	<u>5,030</u>	<u>5,130</u>

Notes (continued)

12 Called up share capital

	2016 £000	2015 £000
<i>Allotted, called up and fully paid</i>		
100,001 ordinary class "A" shares of £1 each	100	100
100,001 ordinary class "B" shares of £1 each	100	100
	<u>200</u>	<u>200</u>

The ordinary "A" shares and "B" shares rank pari passu.

13 Operating leases

The total future value of minimum lease payments is as follows:

	2016		2015	
	Other £000	Land and buildings £000	Other £000	Land and buildings £000
Operating leases which expire:				
Within one year	26	194	-	41
In the second to fifth years inclusive	36	148	26	109
	<u>62</u>	<u>342</u>	<u>26</u>	<u>150</u>

14 Related party

During the year, the company made a number of payments on behalf of its directors, on which no interest was charged, and the amounts are fully recoverable. The balances at the beginning and end of the year and highest balances outstanding at any point during the year are set out below:

Director	At 28 February 2015 £	At 29 February 2016 £	Highest balance £
Mrs J Brennan	(333)	164	4,984
Miss L Finn	39	13	306
	<u> </u>	<u> </u>	<u> </u>

Notes (continued)

15 Pension scheme

Defined contribution pension scheme

The Company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the Company to the scheme and amounted to £24,000 (2015: £25,000).

Contributions amounting to £3,000 (2015: £3,000) were payable to the scheme and are included in creditors.

16 Ultimate parent undertaking

The immediate parent undertaking of the Company is Freemans Grattan Holdings Limited, a company incorporated in England and Wales. The company is a subsidiary undertaking of Otto Aktiengesellschaft fuer Beteiligungen, Hamburg, Germany which is the ultimate parent company incorporated in Germany.

The smallest group in which the results of the company are consolidated is that headed by Otto (GmbH & Co KG), Hamburg, incorporated in Germany. The largest group in which the results of the company are consolidated is that headed by Otto Aktiengesellschaft fuer Beteiligungen, Hamburg incorporated in Germany. The consolidated accounts of Otto Aktiengesellschaft fuer Beteiligungen, Hamburg, Germany are only available in electronic form to the public at www.bundesanzeiger.de.

17 Explanation of transition to FRS 102

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 102. There are no differences in accounting treatment on transition to FRS 102, and therefore no reconciliation has been provided to the amounts previously presented in the financial statements prepared in accordance with the old basis of accounting, UK GAAP.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 29 February 2016 and the comparative information presented in these financial statements for the year ended 29 February 2016.