

Company Registration No. 07399720

Wolsey Acquisitions UK Limited
Annual Report and Financial Statements
For the year ended 28 February 2018

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Wolsey Acquisitions UK Limited

Report and financial statements 2018

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Wolsey Acquisitions UK Limited

Report and financial statements 2018

Officers and professional advisers

Directors

Jamey Hargreaves
Debra Ann Dooley

Registered Office

3rd Floor, Metropolitan House
Station Road
Cheadle Hulme
Cheshire
SK8 7AZ

Bankers

Lloyds TSB Bank plc
King Street
Manchester
M2 4LQ

Solicitors

Fielden Marshall Glover Strutt
Manor Buildings
Moor Lane
Wiswell
Clitheroe
Lancashire
BB7 9DG

Auditor

Deloitte LLP
Statutory Auditor
London

Wolsey Acquisitions UK Limited

Directors' report

The directors present their annual report on the affairs of the company, together with the financial statements for the year ended 28 February 2018.

Principal activities

The principal activities of the company are that of a holding company.

Results and dividends

The loss for the year was £212,000 (2017: £213,000).

The directors do not recommend the payment of a dividend (2017: £nil).

In the prior year Wolsey Acquisitions UK Limited held a 100% holding in Wolsey Scandinavia AB, however, on the 20th October 2017 Wolsey Scandinavia AB was liquidated and is no longer shown as an investment in the financial statements of Wolsey Acquisitions UK Limited.

Directors

The company's directors, who served throughout the year, unless otherwise indicated, were as follows:

Jamey Hargreaves
Debra Ann Dooley

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements. However the directors have also acknowledged the net liability position. Written confirmation has been received that the loans due to the Hargreaves family will not be requested for repayment for a period of at least 12 months from the date of signing of these financial statements. The Hargreaves family has confirmed in writing that, if required, they will provide financial support to enable the company to enable it to carry on its business as a going concern for a period of at least 12 months from the date of signing of these financial statements.

Further details regarding the adoption of the going concern basis can be found in the accounting policies note 1 of the financial statements.

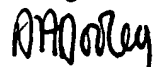
Disclosure of information to the auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Board of Directors
and signed on behalf of the Board



Debra Ann Dooley
Director

30th January 2019

Wolsey Acquisitions UK Limited

Directors' responsibilities statement

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of profit and loss
Year ended 28 February 2018

	Notes	2018 £'000	2017 £'000
Revenue		-	-
Cost of sales		-	-
		<hr/>	<hr/>
Gross profit		-	-
Administrative expenses		(12)	(12)
		<hr/>	<hr/>
Operating loss		(12)	(12)
Interest payable and similar expenses	4	(200)	(201)
		<hr/>	<hr/>
Loss before taxation	5	(212)	(213)
Tax	6	-	-
		<hr/>	<hr/>
Loss for the financial year	10	(212)	(213)
		<hr/> <hr/>	<hr/> <hr/>

The results for both years were derived from continuing activities.

The company has not recognised other comprehensive income in either year other than those recognised above, and therefore no separate statement of other comprehensive income has been prepared.

Wolsey Acquisitions UK Limited

Balance sheet

Year ended 28 February 2018

	Notes	2018 £'000	2017 £'000
Fixed assets			
Investment	7	-	-
Creditors: amounts falling due within one year	8	(24,118)	(23,906)
Net liabilities		(24,118)	(23,906)
Capital and reserves			
Called up share capital	9	-	-
Profit and loss account	10	(24,118)	(23,906)
Shareholders' deficit		(24,118)	(23,906)

For the year ending 28 February 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The financial statements of Wolsey Acquisitions UK Limited, registered number 07399720 were approved by the Board of Directors on 30 January 2019

Signed on behalf of the Board of Directors



Debra Ann Dooley
Director

Wolsey Acquisitions UK Limited

Statement of changes in equity Year ended 28 February 2018

	Share capital £'000	Profit and loss account £'000	Total £'000
At 29 February 2016		(23,693)	(23,693)
Total comprehensive loss for the year	-	(213)	(213)
At 28 February 2017		(23,906)	(23,906)
Total comprehensive loss for the year	-	(212)	(212)
At 28 February 2018		(24,118)	(24,118)

Wolsey Acquisitions UK Limited

Notes to the financial statements Year ended 28 February 2018

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted by the directors are described below and have been applied consistently throughout the current and preceding year.

Basis of accounting

Wolsey Acquisitions UK Limited is a private limited company limited by shares and incorporated in England and Wales under the Companies Act. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the directors report on page 2.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to capital management, presentation of a cash flow statement, financial instruments, standards not yet effective, impairment of assets and related party transactions.

The financial statements have been prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The principal accounting policies adopted are set below.

Going concern

The financial statements have been prepared on the going concern basis. The company made a loss of £212,000 (2017: £213,000) and has net liabilities of £24,118,000 (2017: £23,906,000). The ultimate owner has provided a letter of support for a period of at least 12 months from the date of approval of these financial statements. The directors therefore conclude it is appropriate to adopt the going concern basis for the preparation of these financial statements. The Hargreaves family have further confirmed in writing that the loans of £21,970,000 (2017: £21,970,000) will not be demanded for repayment for a period of at least 12 months from the date of approval of these financial statements.

The directors have reasonable expectations that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Foreign currency transactions

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

Cash flow statement

The company has taken advantage of the exemption available under FRS 101 and has not included a cash flow statement in these financial statements.

Impairment of assets

At each balance sheet date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount is the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Wolsey Acquisitions UK Limited

Notes to the financial statements (continued) **Year ended 28 February 2018**

1. Accounting policies (continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried out at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price and, where applicable, are subsequently measured at amortised cost.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held on call with banks, other short term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Wolsey Acquisitions UK Limited

Notes to the financial statements (continued) **Year ended 28 February 2018**

1. Accounting policies (continued)

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent

that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Provisions

Provisions are recognised when the company has a present obligation as a result of a past event which it is probable will result in an outflow of economic benefits that can be reliably estimated.

Critical judgements in applying the company's accounting policies

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Management do not consider there to be any critical accounting judgements that would require disclosure.

Wolsey Acquisitions UK Limited

Notes to the financial statements (continued) Year ended 28 February 2018

2. Information regarding directors and employees

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

	2018 No.	2017 No.
Directors	2	3
	<u>2</u>	<u>3</u>

3. Directors' remuneration

The remuneration paid to the directors during the year was as follows:

	2018 £'000	2017 £'000
Aggregate emoluments	-	-
Pension contributions to money purchase schemes	-	-
	<u>-</u>	<u>-</u>

The aggregate emolument of the highest paid director was £nil (2017: £nil). Pension contributions made by the company on their behalf was £nil (2017: £nil).

The aggregate amount paid to directors or past directors in the year relating to loss of office was £nil (2017: £nil).

4. Interest payable

	2018 £'000	2017 £'000
Interest on loan notes	200	201
	<u>200</u>	<u>201</u>

Wolsey Acquisitions UK Limited

Notes to the financial statements (continued) Year ended 28 February 2018

5. Loss before taxation

	2018 £'000	2017 £'000
Auditor's remuneration		
Fees payable to the company's auditor for the audit of the company's annual financial statements	8	8
Fees payable to the company's auditor for other services - tax services	3	3
	<u>11</u>	<u>11</u>

6. Tax on loss

	2018 £'000	2017 £'000
Current tax	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>
Total tax	<u>-</u>	<u>-</u>
Loss before taxation	(212)	(213)
Loss before taxation multiplied by standard rate of UK corporation tax of 20.00% (2017: 20.00%)	(42)	(43)
Effects of: Trading losses carried forward where no deferred tax is recognised	42	43
	<u>-</u>	<u>-</u>
Total tax charge for the year	<u>-</u>	<u>-</u>

Wolsey Acquisitions UK Limited

Notes to the financial statements (continued) Year ended 28 February 2018

The standard rate of UK corporation tax reduced from 21% to 20% with effect from 1 April 2015. Further reductions to the UK corporation tax rate to 19% from 1 April 2017 and 17% from 1 April 2020 have been enacted and as such 17% has been used to calculate deferred tax in these financial statements.

Deferred tax

At 28 February 2018 the company had losses of £95,084 (prior period: £83,237) which, subject to agreement of HM Revenue and Customs, are available to be carried forward and offset against future profits. Additionally, the company had a potential deferred tax asset of £1,356,093 (prior period: £1,157,312) in respect of other temporary differences.

7. Fixed asset investment

	Investment in subsidiaries £'000
Cost	
At 1 March 2017	10,676
	<hr/>
At 28 February 2018	10,676
	<hr/>
Impairment	
At 1 March 2017	(10,676)
	<hr/>
At 28 February 2018	(10,676)
	<hr/>
Net book value	
At 1 March 2017	-
	<hr/>
At 28 February 2018	-
	<hr/>

Investments

The company's investments at the balance sheet date in the share capital of companies is as follows:

Subsidiary	Class of share	Country of incorporation	% Holding	Nature of business
Wolsey Limited	Ordinary	England	100	Clothing design and retail

As stated in the accounting policies the company conducts impairment reviews to assess the recoverability of all fixed asset investments. In 2014 following an impairment review, the investment value was impaired to £nil. No amount has been charged to the profit and loss in the year ended 28 February 2018 (2017: £nil).

Wolsey Acquisitions UK Limited

Notes to the financial statements (continued) Year ended 28 February 2018

8. Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Amounts due to ultimate controlling party	2,000	2,000
Loan notes	6,000	6,000
Amounts due to related parties	13,970	13,970
Amounts due to group undertakings	778	757
Accruals and deferred income	1,370	1,179
	<u>24,118</u>	<u>23,906</u>

The loan notes bear interest at 3% above the base rate. The loan notes are repayable on demand.

The loan payable to the ultimate controlling party bears no interest and has no fixed repayment date. The ultimate controlling party has confirmed in writing that the loan will not be demanded for repayment for at least 12 months from the date of signing these financial statements.

9. Share capital

	2018 £	2017 £
Authorised:		
100 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
100 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

10. Profit and loss account

	£'000
At 1 March 2017	(23,906)
Loss for the year	(212)
	<u>(24,118)</u>
At 28 February 2018	<u>(24,118)</u>

Wolsey Acquisitions UK Limited

Notes to the financial statements (continued) Year ended 28 February 2018

11. Related party transactions

Wolsey Limited is a wholly owned subsidiary of Wolsey Acquisitions UK limited.

In the prior year Wolsey Acquisitions UK Limited held a 100% holding in Wolsey Scandinavia AB, however, on the 20th October 2017 Wolsey Scandinavia AB was liquidated and is no longer shown as an investment in the financial statements of Wolsey Acquisitions UK Limited.

The company has a related party relationship with Matalan Holding Company Limited, other Matalan group undertakings and with its directors and executive officers by virtue of common ownership. At the end of the financial period the company has the following balances due to related parties:

	2018 £'000	2017 £'000
Amounts owed to ultimate controlling party	2,000	2,000
Amounts owed to ultimate controlling party in the form of loan notes	6,000	6,000
Amounts owed to related party	13,970	13,970
	<u>21,970</u>	<u>21,970</u>

12. Ultimate controlling entity

The company regards the Hargreaves family as the ultimate controlling party throughout the period.