

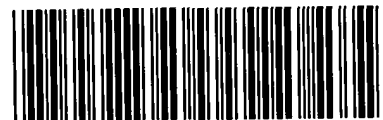
Registered number: 07920155

SABRE RETAIL FASHION LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE 52 WEEKS ENDED 28 APRIL 2018

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SABRE RETAIL FASHION LIMITED

COMPANY INFORMATION

Directors	Peter Davies Elizabeth Houghton Lisa Agar-Rea Stuart Grant
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Company secretary	Judith Bean
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Registered number	07920155
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Registered office	St Johns Place Easton Street High Wycombe Buckinghamshire HP11 1NL
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SABRE RETAIL FASHION LIMITED

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SABRE RETAIL FASHION LIMITED

GROUP STRATEGIC REPORT FOR THE 52 WEEKS ENDED 28 APRIL 2018

This Strategic Report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to Sabre Retail Fashion Limited and its subsidiary undertakings.

Business model

The principal activity of the Group and the Company during the year was the design and retail of women's fashion clothing, footwear and accessories through retail stores and online. Sabre Retail Fashion Limited, as principal trading Company within the Group, trades as Mint Velvet.

Business review

Turnover for the period of £100.97 million has increased by 15.5% (2017: £87.44 million). At the year-end Mint Velvet traded from 165 locations: 40 stand-alone boutique stores, 116 concession stores, 3 franchises and 6 websites. During the period 6 new stand-alone boutiques and 10 concessions were opened in the UK and 1 franchise in Dubai. During the year, 7 locations in Switzerland were closed, decreasing the number of locations to 12 in Switzerland. A further 3 concessions were closed in the Netherlands during the year.

Group operating profit for the period of £13.90 million has increased by 10.0% (2017: £12.69 million). This has been driven by a strong performance in online channels during the year. There is continued management of controllable costs as well as investment in the head office team to support the future growth of the business.

The Group remains in a robust financial position with no external borrowing and positive cash flow. At the year-end the net assets of the Group were £28.59 million (2017: £17.99 million) of which £22.62 million was bank deposits and cash (2017: £15.79 million).

Principal risks and uncertainties

The principal risk to the business is the ability to continue to design and meet the customers' expectations through its retail stores and online presence. The brand has seen strong growth over its first eight years of trading and the Directors are confident the business can continue to grow by continuous development of the product range to meet customer demands and also by growing the brand presence in the UK and internationally through stand-alone boutiques, concessions in high quality department stores, international partnerships and online.

The Group has an ongoing risk to the performance of the UK economy in general and is working closely with its suppliers to mitigate potential impacts from BREXIT.

Financial risk management policies and objectives are disclosed in the Directors' Report.

SABRE RETAIL FASHION LIMITED

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE 52 WEEKS ENDED 28 APRIL 2018

Financial key performance indicators

The Directors use various measures to assess the performance of the business. These indicators are measured at store and product level. The Directors believe that the most appropriate measure of overall business performance is earnings before interest, tax, depreciation, amortisation ('EBITDA') adjusted for currency exchange differences ('adjusted EBITDA') and adjusted EBITDA as a percentage return on turnover. Adjusting EBITDA for currency differences mirrors the measures used by Management on a day to day basis, which reflects a constant exchange rate.

Adjusted EBITDA for the year under review was £17.3 million (2017: £15.3 million), an increase of 13.6% on the previous year, which delivered a 17.2% (2017: 17.4%) return on turnover, calculated as follows:

	28 April 2018 £000	29 April 2017 £000
Profit for the period	10,786	9,957
Tax charge	2,761	2,563
Net Interest expense	354	165
Depreciation	1,760	1,396
Amortisation	35	1,215
Impairment of fixed assets	283	-
Exchange differences	1,342	(47)
Adjusted EBITDA	17,321	15,249

	28 April 2018 £000	29 April 2017 £000
Turnover	100,969	87,444
Return on turnover	17.2%	17.4%

SABRE RETAIL FASHION LIMITED

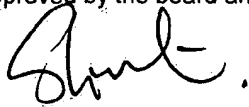
**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE 52 WEEKS ENDED 28 APRIL 2018**

Other key performance indicators

In addition the Directors use a number of commercial performance measures including store openings, stock turnover and rate of sale of products through the stores. Specific measures are also reviewed in relation to online performance including the customer database size and activity and the return on investment from marketing activities.

This report was approved by the board and signed on its behalf.

Stuart Grant
Director



Date: 9 August 2018.

SABRE RETAIL FASHION LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 28 APRIL 2018

The Directors present their report and the financial statements for the 52 weeks ended 28 April 2018.

Results and dividends

The profit for the 52 weeks, after taxation, amounted to £10,786,000 (2017: £9,957,000).

The Directors do not recommend a final dividend be paid (2017: *£nil*).

Directors

The directors who served during the period, and subsequently, were:

Peter Davies
Elizabeth Houghton
Lisa Agar-Rea
Stuart Grant

Financial risk management objectives and policies

The Group's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors, which provide written principles on the use of financial derivatives to manage these risks. The Group does not use derivative financial instruments for speculative purposes.

Foreign exchange risk

The Group's sales and purchases are made in Sterling, Euros and US Dollars and therefore it is exposed to fluctuations in these exchange rates.

If Sterling weakens against the Euro and US Dollar there is a consequent increase in raw materials bought in foreign currency which increases cost of sales. However, revenues earned in foreign currency also appreciate when Sterling weakens from revaluation gain creating some natural currency hedge.

A treasury policy which incorporates a hedging strategy has been implemented to manage the risk of exchange rate volatility.

Credit risk

The Group's credit risk is primarily attributable to its trade receivables where the brand trades in department stores. Credit control is monitored by the Finance Director and managed by the Senior Management Team.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group has a significant concentration of credit risk, with a small number of department stores.

Liquidity risk

The Group monitors cash flow on a daily basis and seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to deposit any surplus cash.

SABRE RETAIL FASHION LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE 52 WEEKS ENDED 28 APRIL 2018**

Future developments

The Directors plan to continue to build the store portfolio in the UK and there is also a focus on growing the online business.

The Directors believe the brand is in a strong position to deliver its long term plans for growth.

Employee involvement

It is Company policy to ensure that employees are provided with information on all matters of concern to them. Accordingly, appropriate steps are taken to ensure that employees, or their representatives, are aware of the financial economic factors affecting the Company's performance, are consulted wherever necessary and are encouraged generally to be involved in the Company's overall performance. In addition, all employees are eligible to participate in discretionary bonus schemes which reward performance against store and/or Company profitability targets.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group and the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report.

Existence of branches outside the UK

The Group has branches, as defined in section 1046(3) of the Companies Act 2006, outside the UK in Ireland.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post balance sheet events

On the 22 June 2018, House of Fraser creditors approved a Company Voluntary Arrangement (CVA) under which 19 of the 45 stores we trade in are closing. At the time of signing these accounts, House of Fraser are seeking new investment to enable them to implement their turnaround plan. All debt outstanding to the Group included within the Balance Sheet has been fully repaid. The Group continues to monitor the situation and are taking appropriate action to mitigate any further risk.

SABRE RETAIL FASHION LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE 52 WEEKS ENDED 28 APRIL 2018**

Auditors

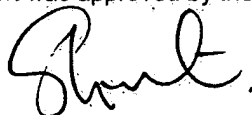
The auditors, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Going concern

The Directors have a reasonable expectation that the Company and the Group have 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.

Further details regarding the adoption of the going concern basis can be found in note 2 in the financial statements.

This report was approved by the board and signed on its behalf.



Stuart Grant
Director

Date:

SABRE RETAIL FASHION LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE 52 WEEKS ENDED 28 APRIL 2018**

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

SABRE RETAIL FASHION LIMITED

INDEPENDENT AUDITORS REPORT TO THE MEMBER OF SABRE RETAIL FASHION LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 28 April 2018 and of the Group's profit for the 52 week period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Sabre Retail Fashion Limited (the 'parent Company') and its subsidiaries (the 'Group') which comprise:

- the consolidated profit and loss account;
- the consolidated statement of comprehensive income;
- the consolidated and parent Company balance sheets;
- the consolidated and parent Company statements of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 28.

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).

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 auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the parent Company 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 are required by ISAs (UK) to report in respect of the following matters where:

- the Directors' use of the going concern basis of accounting in 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 or the parent Company'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.

We have nothing to report in respect of these matters.

SABRE RETAIL FASHION LIMITED

INDEPENDENT AUDITORS REPORT TO THE MEMBER OF SABRE RETAIL FASHION LIMITED (CONTINUED)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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 respect of these matters.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, 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 is 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.

Auditor's 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 an auditor's report 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 auditor's report.

Report on other legal and regulatory requirements

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 strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and of the parent Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the Directors' report.

SABRE RETAIL FASHION LIMITED

INDEPENDENT AUDITORS REPORT TO THE MEMBER OF SABRE RETAIL FASHION LIMITED (CONTINUED)

Matters on which we are required to report by exception

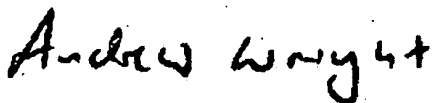
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

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 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.



Andrew Wright (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Bristol, United Kingdom
Date: 9 August 2018

SABRE RETAIL FASHION LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE 52 WEEKS ENDED 28 APRIL 2018**

	Note	2018 £000	2017 £000
Turnover	4	100,969	87,444
Cost of sales		(74,773)	(63,219)
Gross profit		26,196	24,225
Administrative expenses		(12,239)	(11,538)
Operating profit	5	13,957	12,687
Share of loss of joint ventures	14	(56)	(2)
Total operating profit		13,901	12,685
Interest receivable and similar income	9	63	35
Interest payable and similar expenses	10	(417)	(200)
Profit before tax		13,547	12,520
Tax on profit	11	(2,761)	(2,563)
Profit for the financial period		10,786	9,957

The notes on pages 19 to 47 form part of these financial statements.

All amounts arise from continuing operations.

SABRE RETAIL FASHION LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 52 WEEKS ENDED 28 APRIL 2018**

	Note	2018 £000	2017 £000
Profit for the financial period		10,786	9,957
Other comprehensive income			
Currency translation differences		(223)	-
Cash flow hedges gains/(losses) arising during the period		50	(323)
Deferred tax		(8)	32
Other comprehensive income for the period		(181)	(291)
Total comprehensive income for the period		10,605	9,666

SABRE RETAIL FASHION LIMITED
REGISTERED NUMBER:07920155

CONSOLIDATED BALANCE SHEET
AS AT 28 APRIL 2018

	Note	28 April 2018 £000	29 April 2017 £000
Fixed assets			
Intangible assets	12	64	92
Tangible assets	13	6,254	4,492
Investments	14	-	56
		<u>6,318</u>	<u>4,640</u>
Current assets			
Stocks	15	12,141	11,021
Debtors	16	9,450	7,513
Cash at bank and in hand	17	22,623	15,793
		<u>44,214</u>	<u>34,327</u>
Creditors: amounts falling due within one year	18	(20,536)	(20,240)
Net current assets		<u>23,678</u>	<u>14,087</u>
Total assets less current liabilities		<u>29,996</u>	<u>18,727</u>
Creditors: amounts falling due after more than one year	19	(1,380)	(730)
Provisions for liabilities			
Deferred tax	21	-	(12)
Other provisions	22	(26)	-
		<u>(26)</u>	<u>(12)</u>
Net assets		<u><u>28,590</u></u>	<u><u>17,985</u></u>
Capital and reserves			
Called up share capital	23	1	1
Cash flow reserve	24	(123)	(173)
Profit and loss account	24	28,712	18,157
		<u><u>28,590</u></u>	<u><u>17,985</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Stuart Grant
Director

Date: 9 August 2018

The notes on pages 19 to 47 form part of these financial statements.

SABRE RETAIL FASHION LIMITED
REGISTERED NUMBER:07920155

COMPANY BALANCE SHEET
AS AT 28 APRIL 2018

	Note	28 April 2018 £000	29 April 2017 £000
Fixed assets			
Intangible assets	12	64	93
Tangible assets	13	5,708	4,283
Investments	14	1	57
		<u>5,773</u>	<u>4,433</u>
Current assets			
Stocks	15	11,752	10,880
Debtors: amounts falling due within one year	16	10,351	7,671
Cash at bank and in hand	17	22,137	15,532
		<u>44,240</u>	<u>34,083</u>
Creditors: amounts falling due within one year	18	(20,238)	(20,059)
Net current assets		<u>24,002</u>	<u>14,024</u>
Total assets less current liabilities		<u>29,775</u>	<u>18,457</u>
Creditors: amounts falling due after more than one year	19	(1,300)	(670)
Provisions for liabilities			
Deferred taxation	21	-	(11)
Other provisions	22	(26)	-
		<u>(26)</u>	<u>(11)</u>
Net assets		<u>28,449</u>	<u>17,776</u>
Called up share capital	23	1	1
Cash flow reserve	24	(123)	(173)
Profit and loss account brought forward		17,948	8,082
Profit for the 52 weeks		10,631	9,834
Other changes in the profit and loss account		(8)	32
Profit and loss account carried forward		<u>28,571</u>	<u>17,948</u>
		<u>28,449</u>	<u>17,776</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Stuart Grant
Director

Date: 9 August 2018

SABRE RETAIL FASHION LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEKS ENDED 28 APRIL 2018**

	Called up share capital £000	Cash flow reserve £000	Profit and loss account £000	Total equity £000
At 1 May 2016	1	150	8,168	8,319
Profit for the period	-	-	9,957	9,957
Deferred tax movements	-	-	32	32
Cash flow hedges gains	-	(323)	-	(323)
Total comprehensive income for the period	-	(323)	9,989	9,666
At 29 April 2017	1	(173)	18,157	17,985
Profit for the 52 weeks	-	-	10,786	10,786
Currency translation differences	-	-	(223)	(223)
Deferred tax movements	-	-	(8)	(8)
Cash flow hedges losses	-	50	-	50
Total comprehensive income for the period	-	50	10,555	10,605
At 28 April 2018	1	(123)	28,712	28,590

SABRE RETAIL FASHION LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEKS ENDED 28 APRIL 2018**

	Called up share capital £000	Cash flow reserve £000	Profit and loss account £000	Total equity £000
At 1 May 2016	1	150	8,082	8,233
Profit for the period	-	-	9,834	9,834
Deferred tax movements	-	-	32	32
Cash flow hedges gains	-	(323)	-	(323)
Total comprehensive income for the period	-	(323)	9,866	9,543
At 29 April 2017	1	(173)	17,948	17,776
Profit for the 52 weeks	-	-	10,631	10,631
Deferred tax movements	-	-	(8)	(8)
Cash flow hedges losses	-	50	-	50
Total comprehensive income for the period	-	50	10,623	10,673
At 28 April 2018	1	(123)	28,571	28,449

SABRE RETAIL FASHION LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 52 WEEKS ENDED 28 APRIL 2018**

	28 April 2018 £000	29 April 2017 £000
Cash flows from operating activities		
Profit for the financial period	10,786	9,957
Adjustments for:		
Amortisation of intangible assets	35	1,215
Depreciation of tangible assets	1,760	1,396
Impairment of fixed assets	283	-
Loss on disposal of tangible assets	105	1
Interest paid	206	200
Interest received	(63)	(35)
Taxation charge	2,761	2,563
(Increase) in stocks	(1,120)	(2,453)
(Increase) in debtors	(1,850)	(570)
Share of loss/(profit) in joint venture	82	(4)
Increase in creditors	860	3,016
Corporation tax paid	(2,961)	(2,736)
Net cash generated from operating activities	10,884	12,550
Cash flows from investing activities		
Purchase of tangible fixed assets	(3,918)	(2,028)
Interest received	55	35
Net cash from investing activities	(3,863)	(1,993)

SABRE RETAIL FASHION LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE 52 WEEKS ENDED 28 APRIL 2018

	28 April 2018 £000	29 April 2017 £000
Cash flows from financing activities		
Interest paid	(18)	(76)
Net cash used in financing activities	<u>(18)</u>	<u>(76)</u>
Net increase in cash and cash equivalents	7,003	10,481
Cash and cash equivalents at beginning of period	15,793	5,635
Foreign exchange gains and losses	(173)	(323)
Cash and cash equivalents at the end of period	<u>22,623</u>	<u>15,793</u>
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	22,623	15,793
	<u>22,623</u>	<u>15,793</u>

SABRE RETAIL FASHION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 28 APRIL 2018

1. General information

Sabre Retail Fashion Limited is a private company, limited by shares, incorporated in England, United Kingdom under the Companies Act. The address of the registered office is given on the company information page. The nature of the Group's operations and its principal activities are set out in the Strategic Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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 judgment in applying the Group's accounting policies (see note 3).

Sabre Retail Fashion Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form 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 Balance Sheet, the acquiree'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 Profit and Loss Account from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the Group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 28 APRIL 2018

2. Accounting policies (continued)

2.3 Associates and joint ventures

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated financial statements, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated Profit and Loss Account includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated Balance Sheet, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

In the Company financial statements, interests in associated undertakings are initially recognised at the transaction price (including transaction costs) and are reviewed for impairment annually.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

2.4 Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The Directors' Report further describes the financial position of the Group; its cash flows, liquidity position and borrowing facilities; the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposure to credit risk and liquidity risk.

The Directors have assessed the Balance Sheet and likely future cash flows of the Group at the date of approving the financial statements. The Directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The Group continues to trade well despite challenges in the retail sector. At the period end, the Group has a cash balance of £22.62m (2017: £15.79m) and has net current assets of £23.68m (2017: £14.09m). The Group expects to achieve growth in the next 12 months through continued investment in both the store estate and ecommerce platforms.

Based on their enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 28 APRIL 2018**

2. Accounting policies (continued)

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.6 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Profit and Loss Account over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

The estimated useful lives range as follows:

Trademarks	-	5	years
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All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

SABRE RETAIL FASHION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 28 APRIL 2018**

2. Accounting policies (continued)**2.7 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	- 3 to 7 years
Computer equipment	- 3 to 6 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Profit and Loss Account.

2.8 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each Balance Sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit ('CGU') to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each Balance Sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated Profit and Loss Account for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each Balance Sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

SABRE RETAIL FASHION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 28 APRIL 2018**

2. Accounting policies (continued)**2.11 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 28 APRIL 2018**

2. Accounting policies (continued)

2.13 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Consolidated Profit and Loss Account if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the Balance Sheet date.

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

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The Company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 28 APRIL 2018**

2. Accounting policies (continued)

2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.15 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Profit and Loss Account except when deferred in other comprehensive income as qualifying cash flow hedges.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.16 Finance costs

Finance costs are charged to the Consolidated Profit and Loss Account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.17 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Profit and Loss Account on a straight line basis over the lease term.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 28 APRIL 2018**

2. Accounting policies (continued)

2.18 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.19 Interest income

Interest income is recognised in the Consolidated Profit and Loss Account using the effective interest method.

2.20 Borrowing costs

All borrowing costs are recognised in the Consolidated Profit and Loss Account in the period in which they are incurred.

2.21 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Profit and Loss Account in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

SABRE RETAIL FASHION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 28 APRIL 2018**

2. Accounting policies (continued)**2.22 Current and deferred taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Consolidated Profit and Loss Account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- 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; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 28 APRIL 2018**

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 2, 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.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Impairment of tangible fixed assets

The Company tests its tangible assets whenever events or circumstances indicate that the value on the Balance Sheet may not be recoverable. For the purpose of impairment testing, each branch or separately identifiable project is used as a cash generating unit ("CGU"). The impairment tests compare the recoverable amount for each CGU to the carrying value on the Balance Sheet. The recoverable amount of a CGU is the higher of its fair value less costs to sell and value in use. If the recoverable amount is less than the carrying amount, the carrying amount of the asset is impaired and it is reduced to its recoverable amount through an impairment in profit and loss. During the year, the Group has recognised an impairment charge of £283k (2017: £nil) through Profit and Loss.

Provisions

Provisions are reviewed annually for dilapidations and onerous leases. This requires managements best estimates of the costs that will be incurred based on historical trends and contractual requirements. At period end, the dilapidations provision held in the Balance Sheet was £170k (2017: £274k). During the year, the Group utilised £139k (2017: £nil) of the provision. An expense of £35k (2017: £139k) was charged to the Profit and Loss account.

Key sources of estimation uncertainty

The following are the key sources of estimation uncertainty that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Returns provision

The Group calculates a returns provision based on the percentage of returns in the first 2 weeks of the new financial year. At year end, the returns provision included within the Balance Sheet was £962k (2017: £381k). During the year, the Group recognised an expense of £581k (2017: £391k).

There are no other key sources of estimation uncertainty in the Group.

SABRE RETAIL FASHION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 28 APRIL 2018**

4. Turnover

Analysis of turnover by country of destination:

	2018 £000	2017 £000
United Kingdom	92,533	82,571
Rest of the world	8,436	4,873
	<u>100,969</u>	<u>87,444</u>

All turnover relates to the sale of goods.

5. Operating profit

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

	2018 £000	2017 £000
Depreciation of tangible fixed assets	1,760	1,396
Impairment of tangible fixed assets	283	-
Amortisation of intangible assets, including goodwill, included in administrative expenses	36	1,215
Cost of stock recognised as an expense	33,514	27,896
Exchange differences	1,342	(47)
Other operating lease rentals	3,998	2,930
Defined contribution pension cost	<u>171</u>	<u>105</u>

SABRE RETAIL FASHION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 28 APRIL 2018**

6. Auditors' remuneration

	2018 £000	2017 £000
Fees payable to the Group's auditor and its associates for the audit of the Company's annual accounts	43	38
Fees payable to the Group's auditor and its associates for the audit of the Company's subsidiaries	7	7
Total audit fees	<u>50</u>	<u>45</u>
Fees payable to the Group's auditor and its associates in respect of:		
Taxation compliance services	53	48
Other services relating to taxation	11	-
Other audit services	16	15
	<u>80</u>	<u>63</u>

7. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2018 £000	Group 2017 £000	Company 2018 £000	Company 2017 £000
Wages and salaries	10,981	9,610	10,312	9,315
Social security costs	810	691	744	662
Cost of defined contribution scheme	171	105	167	101
	<u>11,962</u>	<u>10,406</u>	<u>11,223</u>	<u>10,078</u>

The average monthly number of employees, including the directors, during the 52 weeks was as follows:

	Group 2018 No.	Group 2017 No.	Company 2018 No.	Company 2017 No.
Support staff	108	97	108	97
Client service staff	709	615	648	588
	<u>817</u>	<u>712</u>	<u>756</u>	<u>685</u>

SABRE RETAIL FASHION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 28 APRIL 2018**

8. Directors' remuneration

	2018 £000	2017 £000
Directors' emoluments	630	626
	<u>630</u>	<u>626</u>

The highest paid director received remuneration of £203,000 (2017 - £203,000).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the directors amounted to £nil (2017: £nil).

The value of the Company's contributions paid to a defined benefit pension scheme in respect of the directors amounted to £nil (2017: £nil).

9. Interest receivable and similar income

	2018 £000	2017 £000
Fair value gains on cash flow hedges	-	7
Other interest receivable	63	28
	<u>63</u>	<u>35</u>

10. Interest payable and similar expenses

	2018 £000	2017 £000
Intercompany loans	206	200
Fair value loss on cash flow hedges	211	-
	<u>417</u>	<u>200</u>

SABRE RETAIL FASHION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 28 APRIL 2018**

11. Taxation

	2018 £000	2017 £000
Corporation tax		
Current tax on profits for the year	2,866	2,630
Adjustments in respect of previous periods	(33)	(46)
	<u>2,833</u>	<u>2,584</u>
Foreign tax		
Foreign tax on income for the period	26	13
	<u>26</u>	<u>13</u>
Total current tax	<u>2,859</u>	<u>2,597</u>
Deferred tax		
Origination and reversal of timing differences	(90)	(64)
Changes to tax rates	(4)	(7)
Adjustment in respect of previous period	(4)	37
Total deferred tax	<u>(98)</u>	<u>(34)</u>
Taxation on profit on ordinary activities	<u>2,761</u>	<u>2,563</u>

SABRE RETAIL FASHION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 28 APRIL 2018**

11. Taxation (continued)**Factors affecting tax charge for the 52 weeks**

The tax assessed for the 52 weeks is higher than (2017 - *higher than*) the standard rate of corporation tax in the UK of 19% (2017 - 19.92%). The differences are explained below:

	2018 £000	2017 £000
Profit on ordinary activities before tax	13,547	12,520
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.92%)	2,574	2,494
Effects of:		
Expenses not deductible for tax purposes	242	103
Adjustments to tax charge in respect of prior periods	(38)	(9)
Non-taxable income	(14)	(10)
Tax rate changes	11	(7)
Effect of overseas tax rates	(14)	(8)
Total tax charge for the period	2,761	2,563

Factors that may affect future tax charges

In recent years the UK Government has steadily reduced the rate of UK corporation tax, with the latest rates substantively enacted being 19% with effect from 1 April 2017 and 17% with effect from 1 April 2020.

The closing deferred tax assets and liabilities have been calculated at 17% in accordance with the rates enacted at the Balance Sheet date.

There is no expiry date on timing differences, unused tax losses or tax credits.

SABRE RETAIL FASHION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 28 APRIL 2018**

12. Intangible assets**Group**

	Trademarks £000	Goodwill £000	Total £000
Cost			
At 30 April 2017	169	6,238	6,407
Additions	8	-	8
At 28 April 2018	177	6,238	6,415
Amortisation			
At 30 April 2017	77	6,238	6,315
Charge for the year	36	-	36
At 28 April 2018	113	6,238	6,351
Net book value			
At 28 April 2018	64	-	64
At 29 April 2017	92	-	92

The goodwill balance arose on the transfer of the trade and assets of Sabre Retail LLP on 1 May 2012 for £6,000,820 and has been fully amortised on a straight-line basis over five years.

SABRE RETAIL FASHION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 28 APRIL 2018**

12. Intangible assets (continued)**Company**

	Trademarks £000	Goodwill £000	Total £000
Cost			
At 30 April 2017	169	6,292	6,461
Additions	8	-	8
At 28 April 2018	177	6,292	6,469
Amortisation			
At 30 April 2017	77	6,292	6,369
Charge for the year	36	-	36
At 28 April 2018	113	6,292	6,405
Net book value			
At 28 April 2018	64	-	64
At 29 April 2017	92	-	92

SABRE RETAIL FASHION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 28 APRIL 2018**

13. Tangible fixed assets**Group**

	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost or valuation			
At 30 April 2017	7,302	1,462	8,764
Additions	3,189	706	3,895
Disposals	(397)	(6)	(403)
Exchange adjustments	13	2	15
At 28 April 2018	<u>10,107</u>	<u>2,164</u>	<u>12,271</u>
Depreciation			
At 30 April 2017	3,386	886	4,272
Charge for the period	1,442	318	1,760
Disposals	(292)	(6)	(298)
Impairment charge	283	-	283
At 28 April 2018	<u>4,819</u>	<u>1,198</u>	<u>6,017</u>
Net book value			
At 28 April 2018	<u>5,288</u>	<u>966</u>	<u>6,254</u>
At 29 April 2017	<u>3,916</u>	<u>576</u>	<u>4,492</u>

SABRE RETAIL FASHION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 28 APRIL 2018**

13. Tangible fixed assets (continued)**Company**

	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost or valuation			
At 30 April 2017	7,003	1,442	8,445
Additions	2,795	691	3,486
Disposals	(397)	(6)	(403)
At 28 April 2018	<u>9,401</u>	<u>2,127</u>	<u>11,528</u>
Depreciation			
At 30 April 2017	3,276	886	4,162
Charge for the period	1,361	312	1,673
Disposals	(292)	(6)	(298)
Impairment charge	283	-	283
At 28 April 2018	<u>4,628</u>	<u>1,192</u>	<u>5,820</u>
Net book value			
At 28 April 2018	<u>4,773</u>	<u>935</u>	<u>5,708</u>
At 29 April 2017	<u>3,727</u>	<u>556</u>	<u>4,283</u>

SABRE RETAIL FASHION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 28 APRIL 2018**

14. Fixed asset investments**Group**

	Investment in joint ventures £000
At 30 April 2017	56
Share of loss	(56)
At 28 April 2018	<u> </u>
	<u> </u>
At 29 April 2017	<u> </u> 56

Sabre Retail Fashion Limited's share of losses in joint ventures as at 28 April 2018 is £82,000. This exceeds the carrying amount of the investment, therefore losses have been recognised to the extent that the investment is reduced to £nil. Sabre Retail Fashion Limited has a legal obligation to fund 50% of any losses incurred by the joint venture. The remaining losses of £26,000 have been recognised as a provision in note 22.

SABRE RETAIL FASHION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 28 APRIL 2018**

14. Fixed asset investments (continued)**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Sabre Retail (Trading) Limited	Ordinary	100 %	Retail Ladies Fashion
Mint Velvet Group Limited	Ordinary	100 %	Dormant
Mint Velvet Retail Limited	Ordinary	100 %	Dormant
Mint Velvet Fashion Limited	Ordinary	100 %	Dormant
Mint Velvet Services Limited	Ordinary	100 %	Dormant
Mint Velvet Europe Limited	Ordinary	100 %	Dormant
Mint Velvet Trading Limited	Ordinary	100 %	Dormant
Mint Velvet Clothing Limited	Ordinary	100 %	Dormant
Mint Velvet Holdings Limited	Ordinary	100 %	Dormant
Mint Velvet International Limited	Ordinary	100 %	Dormant
Hygge Retail Limited	Ordinary	100 %	Dormant
Hygge Europe Limited	Ordinary	100 %	Dormant
Hygge Clothing Limited	Ordinary	100 %	Dormant
Hygge Fashion Limited	Ordinary	100 %	Dormant
MV Europe Limited	Ordinary	100 %	Dormant
MV Fashion Limited	Ordinary	100 %	Dormant
MV Retail Limited	Ordinary	100 %	Dormant
Mint Velvet Property Limited	Ordinary	100 %	Dormant

The registered addresses of all investments is:

St Johns Place
Easton Street
High Wycombe
HP11 1NL

SABRE RETAIL FASHION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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14. Fixed asset investments (continued)

Participating interests

Joint ventures

Name	Country of incorporation	Class of shares	Holding	Principal activity
Mint Velvet Switzerland AG	Switzerland	Ordinary	50%	Retail Ladies Fashion

The registered address is:

Mint Velvet Switzerland AG
Buchhaltung, Lohnwesen
Binningerstr. 20 / Pf 816
4123 Allschwil
Basel
Switzerland

Company

	Investments in subsidiary companies £000	Investment in joint ventures £000	Total £000
Cost or valuation			
At 30 April 2017	1	56	57
At 28 April 2018	1	56	57
Impairment			
Charge for the period	-	56	56
At 28 April 2018	-	56	56
Net book value			
At 28 April 2018	1	-	1
At 29 April 2017	1	56	57

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15. Stocks

	Group 28 April 2018 £000	Group 29 April 2017 £000	Company 28 April 2018 £000	Company 29 April 2017 £000
Finished goods and goods for resale	12,141	11,021	11,752	10,880
	<u>12,141</u>	<u>11,021</u>	<u>11,752</u>	<u>10,880</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

16. Debtors

	Group 28 April 2018 £000	Group 29 April 2017 £000	Company 28 April 2018 £000	Company 29 April 2017 £000
Trade debtors	6,474	5,544	6,164	5,313
Amounts owed by Group undertakings	212	289	1,551	712
Prepayments and accrued income	2,658	1,641	2,530	1,607
Deferred taxation	78	-	79	-
Derivative financial assets	28	39	27	39
	<u>9,450</u>	<u>7,513</u>	<u>10,351</u>	<u>7,671</u>

17. Cash and cash equivalents

	Group 28 April 2018 £000	Group 29 April 2017 £000	Company 28 April 2018 £000	Company 29 April 2017 £000
Cash at bank and in hand	22,623	15,793	22,137	15,532
	<u>22,623</u>	<u>15,793</u>	<u>22,137</u>	<u>15,532</u>

SABRE RETAIL FASHION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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18. Creditors: Amounts falling due within one year

	Group 28 April 2018 £000	Group 29 April 2017 £000	Company 28 April 2018 £000	Company 29 April 2017 £000
Trade creditors	4,379	5,780	4,344	5,758
Amounts owed to Group undertakings	8,708	8,468	8,708	8,468
Corporation tax	1,280	1,357	1,265	1,354
Other taxation and social security	1,162	433	1,018	351
Other creditors	508	613	498	614
Accruals and deferred income	4,136	3,346	4,042	3,271
Derivative financial instruments	363	243	363	243
	<u>20,536</u>	<u>20,240</u>	<u>20,238</u>	<u>20,059</u>

The amounts owed to Group undertakings relate to the investment in the business by the Lewis Trust Group. Amounts owed are repayable on demand and accrue interest at a rate of LIBOR + 2%.

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

	Group 28 April 2018 £000	Group 29 April 2017 £000	Company 28 April 2018 £000	Company 29 April 2017 £000
0.2% Cumulative redeemable preference shares	262	262	262	262
Accruals and deferred income	1,118	468	1,038	408
	<u>1,380</u>	<u>730</u>	<u>1,300</u>	<u>670</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Financial instruments

	Group 28 April 2018 £000	Group 29 April 2017 £000
Financial assets		
Forward foreign currency options not hedged	-	39
Forward foreign currency contracts hedged	28	-
	28	39
Financial liabilities		
Forward foreign currency options not hedged	(212)	(70)
Forward foreign currency contracts hedged	(150)	(173)
	(362)	(243)

Forward foreign currency contracts are valued using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts.

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20. Financial instruments (continued)

The following table details the forward foreign currency contracts outstanding at the period end:

	Average contractual exchange rate 2018	Average contractual exchange rate 2017	Notional Value 2018 £000	Notional Value 2017 £000	Fair Value 2018 £000	Fair Value 2017 £000
Buy USD						
Greater than 3 months						
Options	1.32	1.26	2,850	3,564	(90)	(70)
Forward Contracts	1.38	1.26	14,500	2,982	(78)	(97)
Less than 3 months						
Options	1.32	1.32	7,650	1,705	(122)	39
Forward contracts	1.33	1.26	1,500	2,585	(44)	(76)
					(334)	(204)

The Group has entered into contracts to purchase stock from suppliers. The Group has entered into forward foreign currency contracts to hedge the exchange rate risk arising from these anticipated future transactions, which are designated cash flow hedges. The hedged cash flows are expected to occur and to affect profit or loss within the next financial year.

Gains of £49,688 (2017: losses of £172,500) were recognised in other comprehensive income and hedge ineffectiveness resulting in a loss of £179,934 (2017: loss of £31,523) recognised in profit or loss.

21. Deferred taxation

Group

	2018 £000	2017 £000
At beginning of period	(12)	(78)
Charged to profit or loss	98	6
Charged to other comprehensive income	(8)	60
At end of period	78	(12)

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21. Deferred taxation (continued)

Company

	2018 £000	2017 £000
At beginning of period	(11)	(77)
Charged to profit or loss	98	6
Charged to other comprehensive income	(8)	60
At end of period	79	(11)

	Group 28 April 2018 £000	Group 29 April 2017 £000	Company 28 April 2018 £000	Company 29 April 2017 £000
Accelerated capital allowances	8	12	8	12
Tax losses carried forward	70	(24)	71	(23)
	78	(12)	79	(11)

22. Provisions

Group and Company

	Losses in Joint Venture £000
Charged to profit or loss	26
At 28 April 2018	26

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**NOTES TO THE FINANCIAL STATEMENTS
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23. Share capital

	28 April 2018 £000	29 April 2017 £000
Allotted, called up and fully paid		
824,972 (2017 - 824,972) Ordinary shares of £0.001 each	<u>1</u>	<u>1</u>

24. Reserves**Profit and loss account**

The profit and loss account represents cumulative profits or losses, including unrealised profit on the re-measurement of investment properties, net of dividends paid and other adjustments.

25. Pension commitments

The Group operates defined contribution retirement schemes for all qualifying employees in the UK. The total expense charged to profit or loss in the period ended 28 April 2018 was £170,943 (2017: £104,711).

26. Commitments under operating leases

At 28 April 2018 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 28 April 2018 £000	Group 29 April 2017 £000	Company 28 April 2018 £000	Company 29 April 2017 £000
Not later than 1 year	3,535	3,139	3,143	2,835
Later than 1 year and not later than 5 years	13,725	10,396	12,151	9,178
Later than 5 years	9,259	7,448	8,670	6,915
	<u>26,519</u>	<u>20,983</u>	<u>23,964</u>	<u>18,928</u>

**NOTES TO THE FINANCIAL STATEMENTS
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27. Related party transactions

Directors' transactions

The Company has taken advantage of the exemption under Financial Reporting Standard 102 not to disclose transactions with entities, 100% of whose voting rights are controlled within the Group.

Other related party transactions

The total remuneration for key management personnel for the year totalled £629,865 (2017: £625,696), being remuneration disclosed in note 8.

During the year the Group sold goods to the Swiss Joint Venture of £483,493 (2017: £701,207). The amount owed by the Swiss Joint Venture at the reporting date was £54,196 (2017: £56,302). These amounts all relate to trading balances.

There is also a loan between the Group and the Swiss Joint Venture of £232,937 (2017: £232,937) at period end. A provision for uncollected debts of £75,985 (2017: £nil) has been recognised through Profit and Loss against this balance during the period. Interest is charged on the loan at the rate of 3.0% per annum and the amount accrued to the year end date is £13,556 (2017: £9,345).

There is also a loan between the Group and Mustard Global Limited of £8,164,749 (2017: £8,164,749) at period end. Interest is charged at LIBOR +2% and interest accrued to period end is £491,300 (2017: £303,699).

28. Controlling party

The Company's ultimate parent undertaking is LFH International Limited which is registered in the Cayman Islands. The Company's ultimate UK parent undertaking is Mustard Holdings Limited which is registered in England. The Company's immediate parent undertaking is Mustard Global Limited which is registered in England.

Mustard Holdings Limited is the smallest and largest Group of which the Company is a member and for which publicly available Group financial statements are prepared. Copies of these can be obtained from Companies House or its registered address, Chelsea House, West Gate, London, United Kingdom, W5 1DR.