

**Top Shop/Top Man (Wholesale) Limited**

**Annual report and financial statements**

**for the year ended 27 August 2016**

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## **Top Shop/Top Man (Wholesale) Limited**

### **Company Information**

<b>Directors</b>	R Burchill R De Dombal G Hague M Gammon S Wightman
<b>Company secretary</b>	M Gammon
<b>Registered number</b>	8458338
<b>Registered office</b>	Colegrave House 70 Berners Street London W1T 3NL
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Central Square 29 Wellington Street Leeds LS1 4DL

## **Top Shop/Top Man (Wholesale) Limited**

### **Contents**

	<b>Page</b>
<b>Strategic report</b>	<b>1</b>
<b>Directors' report</b>	<b>2 - 3</b>
<b>Independent auditors' report</b>	<b>4 - 5</b>
<b>Profit and loss account</b>	<b>6</b>
<b>Balance sheet</b>	<b>7</b>
<b>Statement of changes in equity</b>	<b>8</b>
<b>Notes to the financial statements</b>	<b>9 - 13</b>

## **Top Shop/Top Man (Wholesale) Limited**

### **Strategic report for the year ended 27 August 2016**

#### **Introduction**

The Directors present their Annual report and the audited financial statements of Top Shop/Top Man (Wholesale) Limited ("the Company") for the year ended 27 August 2016.

#### **Business review**

During the year, the Company was a wholly owned subsidiary of Taveta Investments Limited ("Taveta") and a review of the group's businesses during the year, its future outlook and its position at 27 August 2016 is given on page 1 to 3 of the financial statements of that company.

#### **Principal activities and future developments**

The principal activity of the Company is that of wholesaling of clothing and clothing accessories under the Top Shop and Top Man brand names. The Company will continue to operate on the same basis for the foreseeable future.

#### **Results for the year**

The profit for the financial year amounted to £12,904,000 (2015: £7,607,000).

As at 27 August 2016 the Company had net assets of £27,250,000 (2015: net assets of £14,346,000).

#### **Management of and reporting of risks and Key Performance Indicators (KPIs)**

The directors of Taveta Investments Limited manage the Company's risks and those of its fellow subsidiaries at a group level. Furthermore, they monitor the group's performance on a brand basis rather than at statutory company level.

For these reasons the Company's directors do not believe that a discussion of the principal risks facing the Company or the KPIs used to analyse its performance is appropriate for an understanding of its development, performance or financial position.

The KPIs used by the group and the principal business risks it faces, are discussed on page 3 to 5 of Taveta Investments Limited's annual report which does not form part of this report.


#### **Financial risk management**

The directors of Taveta Investments Limited manage the Company's financial risks and those of its fellow subsidiaries at group level. Furthermore, they monitor the group's performance on a brand basis rather than at statutory level.

For these reasons the Company's directors do not believe that a discussion of the principal financial risks facing the Company or of the management of those risks is appropriate for an understanding of its development, performance or financial position.

The principal financial risks faced by the Group, and the strategy it employs to manage those risks, are discussed on page 4 of Taveta Investments Limited's annual report which does not form part of this report.

This report was approved by the board on 24 May 2017 and signed on its behalf by:



**S Wightman**  
**Director**  
Date: 25 May 2017

## **Top Shop/Top Man (Wholesale) Limited**

### **Directors' report for the year ended 27 August 2016**

The directors present their annual report and the audited financial statements for the year ended 27 August 2016.

#### **Transition to FRS 102**

This is the first year that the Company has presented its results under Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102"). The impact of this transition is shown in note 12 of the financial statements.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Annual Report and financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements,
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors 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.

#### **Directors**

The directors who served during the year and up to date of signing the financial statements were:

R Burchill  
R De Dombal  
G Hague  
M Gammon  
S Wightman

#### **Matters covered in the Strategic report**

The principal activities, business review, financial risk management, KPI's and future developments are discussed in the strategic report on page 1.

#### **Dividends**

The directors do not recommend the payment of a dividend in respect of the financial year (2015. £nil).

## **Top Shop/Top Man (Wholesale) Limited**

### **Directors' report (continued) for the year ended 27 August 2016**

#### **Qualifying third party indemnity provisions**

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company's ultimate parent company (Taveta Investments Limited) also purchased and maintained throughout the financial year directors' and officers' liability insurance in respect of itself and its directors.

#### **Disclosure of information to auditors**

In accordance with Section 418 of the Companies Act 2006, 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's auditors are unaware, and
- the director has taken all the steps that they ought to have taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

#### **Independent auditors**

The Company has passed an elective resolution to dispense with the annual appointment of auditors. PricewaterhouseCoopers LLP will therefore continue as auditors in accordance with and subject to Section 487 of the Companies Act 2006.

This report was approved by the board on 24 May 2017 and signed on its behalf by.



**S Wightman**  
**Director**  
Date: 25 May 2017

## **Top Shop/Top Man (Wholesale) Limited**

### **Independent auditors' report to the members of Top Shop/Top Man (Wholesale) Limited**

## **Report on the financial statement**

### **Our opinion**

In our opinion, Top Shop/Top Man (Wholesale) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 27 August 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **What we have audited**

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

- the balance sheet as at 27 August 2016;
- the profit and loss account for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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

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

### **Matters on which we are required to report by the Companies Act 2006**

In our opinion the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

#### **Adequacy of accounting records and information and explanations received**

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

### **Directors' remuneration**

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

## **Top Shop/Top Man (Wholesale) Limited**

### **Independent auditors' report to the members of Top Shop/Top Man (Wholesale) Limited**

## **Responsibilities for the financial statements and the audit**

### **Our responsibilities and those of the directors**

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK & Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

### **What an audit of financial statements involves**

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Group's and the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

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

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

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



Paul Cragg (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Leeds  
Date: 25 May 2017



**Top Shop/Top Man (Wholesale) Limited**

**Profit and loss account  
for the year ended 27 August 2016**

	<b>Note</b>	<b>2016 £000</b>	<b>2015 £000</b>
Turnover	5	<b>35,900</b>	25,283
Cost of sales		<b>(19,166)</b>	(15,246)
<b>Gross profit</b>		<b>16,734</b>	10,037
Administrative expenses		<b>(604)</b>	(441)
<b>Profit on ordinary activities before taxation</b>	6	<b>16,130</b>	9,596
Tax on profit on ordinary activities	7	<b>(3,226)</b>	(1,989)
<b>Profit for the financial year</b>		<b>12,904</b>	7,607

All amounts relate to continuing operations

There were no other comprehensive income transactions in 2016 or 2015 and therefore a statement of comprehensive income has not been presented.

The notes on pages 9 to 13 form part of these financial statements.

**Top Shop/Top Man (Wholesale) Limited**  
**Registered number: 8458338**

**Balance sheet**  
**as at 27 August 2016**

	<b>Note</b>	<b>2016 £000</b>	<b>2015 £000</b>
<b>Current assets</b>			
Debtors	8	27,250	14,346
<b>Net assets</b>		<u>27,250</u>	<u>14,346</u>
<b>Capital and reserves</b>			
Called up share capital	9	-	-
Retained earnings		27,250	14,346
<b>Total equity</b>		<u>27,250</u>	<u>14,346</u>

The financial statements on pages 7 to 13 were approved and authorised for issue by the board on 24 May 2017 and were signed on its behalf on 25 May 2017



**S Wightman**  
**Director**

The notes on pages 9 to 13 form part of these financial statements.

**Top Shop/Top Man (Wholesale) Limited**

**Statement of changes in equity  
for the year ended 27 August 2016**

	<b>Called up share capital</b>	<b>Retained earnings</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 30 August 2015	-	14,346	14,346
Profit for the year	-	12,904	12,904
<b>At 27 August 2016</b>	<b>-</b>	<b>27,250</b>	<b>27,250</b>

**Statement of changes in equity  
for the year ended 29 August 2015**

	<b>Called up share capital</b>	<b>Retained earnings</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 31 August 2014	-	6,739	6,739
Profit for the period	-	7,607	7,607
<b>At 29 August 2015</b>	<b>-</b>	<b>14,346</b>	<b>14,346</b>

The notes on pages 9 to 13 form part of these financial statements.

## **Top Shop/Top Man (Wholesale) Limited**

### **Notes to the financial statements for the year ended 27 August 2016**

#### **1. General information**

Top Shop/Top Man (Wholesale) Limited ("the Company") is a retailer of clothing and clothing accessories, under the Top Shop Top Man brand name.

The Company is a private company limited by shares and is incorporated in the United Kingdom. The address of its registered office is Colegrave House, 70 Berners Street, London, W1T 3NL.

#### **2. Statement of compliance**

The financial statements of Top Shop/Top Man (Wholesale) Limited have been prepared in compliance with United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

#### **3. Accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated. This is the first year that the Company has presented its results under Financial Reporting Standard 102, "The Financial Report Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102"). The impact of this transition is shown in note 12 of the financial statements.

##### **3.1 Basis of preparation of financial statements**

The financial statements have been prepared for the 52 weeks ended 27 August 2016 (2015: 52 weeks ended 29 August 2015)

The Company's functional and presentation currency is the pound sterling.

These financial statements are prepared on a going concern basis, and under the historical cost convention.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

##### **3.2 Exemptions for qualifying entities under FRS 102**

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been applied with, including notification of, and no objection to, the use of the exemptions by the Company's shareholders.

The Company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b) from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, Taveta Investments Limited ("Taveta"), includes the Company's cash flows in its own consolidated financial statements.

The Company has taken advantage of the exemption from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statements of Taveta

## **Top Shop/Top Man (Wholesale) Limited**

### **Notes to the financial statements for the year ended 27 August 2016**

#### **3. Accounting policies (continued)**

##### **3.3 Related party transactions**

The Company has taken advantage of the exemption under FRS 102 from disclosing related party transactions with entities that are part of the Top Shop/Top Man (Holdings) Limited group.

The Company discloses transactions with related parties which are not wholly owned within the Top Shop/Top Man (Holdings) Limited group.

##### **3.4 Revenue**

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied, net of returns, discounts and value added taxes. An estimate is made for future returns (based on accumulated experience).

The Company recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the Company retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity and (e) when the specific criteria relating to each of the Company's sales channels have been met, as described below.

Income from wholesale arrangements:

The Company fulfils a number of wholesale arrangements. Revenue is recognised when goods are dispatched and the risks and rewards of the stock are passed to the customer.

##### **3.5 Debtors**

Trade debtors are recognised and measured at their original invoice amount less any provision for any uncollectable amounts. An estimate for doubtful debts is made when the collection of the full amount is no longer probable. Bad debts are written off to the profit and loss account when they are identified.

##### **3.6 Taxation**

Taxation expense for the period comprises current tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current tax:

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

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

## Top Shop/Top Man (Wholesale) Limited

### Notes to the financial statements for the year ended 27 August 2016

#### 4. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### (i) Taxes

Determining current tax provisions involves judgements on the tax treatment of certain transactions.

##### (ii) Impairment of debtors

The Company makes an estimate of the recoverable value of debtors. When assessing impairment of debtors, management considers factors including the current financial position of the debtor and historical experience.

#### 5. Turnover

Turnover is wholly attributable to the Company's principal activities and wholly arose in the United Kingdom.

#### 6. Profit on ordinary activities before taxation

	2016 £000	2015 £000
Stock recognised as an expense	17,217	13,218
Charge for shared services from Arcadia Group Limited	604	441

Auditors' remuneration has been borne by Arcadia Group Limited, a fellow group undertaking. There were no non-audit services provided by the auditor to the Company in the year (2015: none).

During the year, the company had no employees (2015: none).

None of the directors received remuneration in respect of his or her services to the Company during the year (2015: £nil)

#### 7. Tax on profit on ordinary activities

	2016 £000	2015 £000
<b>Current tax</b>		
UK corporation tax charge on profit	3,226	1,975
Adjustments in respect of prior years	-	14
<b>Tax on profit on ordinary activities</b>	<b>3,226</b>	<b>1,989</b>

## Top Shop/Top Man (Wholesale) Limited

### Notes to the financial statements for the year ended 27 August 2016

#### 7. Tax on profit on ordinary activities (continued)

##### Factors affecting tax charge for the year

The tax assessed for the year is the same as (2015 : higher than) the standard rate of corporation tax in the UK of 20.0% (2015: 20.6%). The differences are explained below:

	2016 £000	2015 £000
Profit on ordinary activities before tax	<u>16,130</u>	<u>9,596</u>
Profit on ordinary activities before tax multiplied by standard rate of corporation tax in the UK of 20.0% (2015 : 20.6%)	3,226	1,975
<b>Effects of:</b>		
Adjustments in respect of prior years	-	14
<b>Taxation on profit on ordinary activities</b>	<u><b>3,226</b></u>	<u><b>1,989</b></u>

##### Factors that may affect future tax charges

A change to the UK corporation tax rate was announced in the Chancellor's Budget on 16 March 2016. The change announced is to reduce the main rate to 17% from 1 April 2020. Changes to reduce the UK corporation tax rate to 19% from 1 April 2017 and to 18% from 1 April 2020 had already been substantively enacted on 26 October 2015.

#### 8. Debtors

	2016 £000	2015 £000
<b>Amounts falling due within one year</b>		
Trade debtors	3,001	2,070
Amounts owed by group undertakings	20,093	8,781
Prepayments and accrued income	4,156	3,495
	<u><b>27,250</b></u>	<u><b>14,346</b></u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

Trade debtors are stated after provision for impairment of £nil (2015: £nil).

## Top Shop/Top Man (Wholesale) Limited

### Notes to the financial statements for the year ended 27 August 2016

#### 9. Called up share capital

	2016 £	2015 £
<b>Allotted and fully paid</b>		
1 (2015: 1) ordinary share of £1	<u>1</u>	<u>1</u>

#### 10. Related party transactions

During the year the Company incurred a shared service recharge of £309,000 (2015: £330,000) from Arcadia Group Limited.

At the year end the amount owed by Arcadia Group Limited to the Company was £20,093,000 (2015: £8,781,000).

#### 11. Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is Top Shop/Top Man Limited, a company incorporated in England.

The Company's ultimate parent company is Taveta Investments Limited ('Taveta'), a company incorporated in England. The largest group to consolidate these financial statements is Taveta Investments Limited and the smallest group is Arcadia Group Limited. Copies of Arcadia and Taveta's consolidated financial statements can be obtained by writing to the Secretary at Colegrave House, 70 Berners Street, London, W1T 3NL.

The Company's ultimate controlling party is Lady Cristina Green.

#### 12. Transition to FRS 102

There is no impact on equity or profit and loss on transition to FRS 102.

#### 13. Contingent liabilities

The Company considers the potential obligations which may arise as a result of past events and the uncertainty of the impact on the Company. Where the Company identifies an obligation for which payment is probable and the amount can be reliably estimated a provision is recognised. As at 27 August 2016 no contingent liabilities were identified that required a provision (2015: none).