

Registered number: 8458338

Top Shop/Top Man (Wholesale) Limited

Annual report and financial statements

for the 53 weeks ended 1 September 2018

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Top Shop/Top Man (Wholesale) Limited

Company Information

Directors	I Grabiner G Hague P Price
Company secretary	M Gammon
Registered number	8458338
Registered office	Colegrave House 70 Berners Street London England W1T 3NL
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Central Square 29 Wellington Street Leeds England LS1 4DL

Top Shop/Top Man (Wholesale) Limited

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Top Shop/Top Man (Wholesale) Limited

Strategic report for the 53 weeks ended 1 September 2018

Introduction

The Directors present their Strategic report of Top Shop/Top Man (Wholesale) Limited ("the Company") for the 53 weeks ended 1 September 2018.

The financial statements have been prepared for the 53 weeks ended 1 September 2018 (2017: 52 weeks ended 26 August 2017).

Principal activities

The principal activity of the Company is that of wholesaling of clothing and clothing accessories in the United Kingdom and internationally under the Top Shop and Top Man brand names.

Results for the period

The profit for the financial period amounted to £13,329,000 (2017: £17,980,000).

As at 1 September 2018 the Company had net assets of £58,559,000 (2017: £45,230,000).

Business review

During the period the Company was a wholly-owned subsidiary of Taveta Investments Limited. A review of Taveta Investments Limited and its subsidiaries (the "Group") businesses during the period, its future outlook and its position at 1 September 2018 is given on page 1 to 6 of the financial statements of that company.

Group restructure

The Company is part of a Group which launched 7 individual entity Company Voluntary Arrangement ("CVA") proposals on 22 May 2019 relating to 5 property companies, Arcadia Group Limited and Top Shop/Top Man Limited.

These CVAs and parallel agreements with the Group's pension trustees have allowed the Group to reduce future cash outgoings, and will enable the Group to implement its 3 year Business and Recovery Plan.

As part of the restructure the Group will receive £50.0 million of equity financing from its ultimate shareholder, £10.0 million of which was received on 25 June 2019 and the balance (which will be held by the supervisor of the CVA to fund a Creditors Compensation Fund required to ensure that no compromised creditors are worse off as a result of the CVA than they would have been in an insolvency) was received on 2 September 2019. In addition, the Group has received a £50.0 million interest-free loan from the ultimate shareholder, which is secured on the new distribution centre in Daventry. The majority shareholder will continue to provide support in the form of a rent subsidy, up to £9.1 million per annum for the 3 years following the agreement of the CVAs.

Future developments

Following the launch of the CVAs referred to above, the Company is now expected to remain in its current form.

Management and reporting of principal risks and Key Performance Indicators (KPIs)

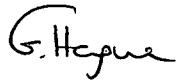
Due to the close intra-group relationships between the active companies of the Taveta Investments Limited Group the risks disclosed within Taveta Investments Limited financial statements in pages 6 to 8 apply across the Group due to the interdependency of these companies.

The directors of the Company manage the Company's risks at a group level. The risks of Taveta Investments Limited and all of its group companies are managed centrally as the risks this Company faces are dependent on the Group as a whole. Key business risks are monitored on an ongoing basis by the directors, and strategies are developed to mitigate such risks and minimise their impact.

Top Shop/Top Man (Wholesale) Limited

**Strategic report (continued)
for the 53 weeks ended 1 September 2018**

This report was approved by the board and authorised for issue on and was signed on its behalf on 20 September 2019.

A handwritten signature in black ink, appearing to read 'G. Hague', with a stylized, cursive script.

G Hague
Director
Date: 20 September 2019

Top Shop/Top Man (Wholesale) Limited

Directors' report for the 53 weeks ended 1 September 2018

The directors present their report and the audited financial statements of the Company for the 53 weeks ended 1 September 2018.

Directors' responsibilities statement

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

Company law requires the directors to prepare audited financial statements for each financial period. 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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;
- prepare the audited 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 audited 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 period and up to the date of approval of the financial statements were:

R Burchill (resigned 5 December 2018)
R de Dombal (resigned 5 December 2018)
M Gammon (resigned 5 December 2018)
I Grabiner (appointed 5 December 2018)
G Hague
P Price (appointed 5 December 2018)
S Wightman (resigned 5 December 2018)

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 period and is currently in force. The Company's ultimate parent company (Taveta) also purchased and maintained throughout the period directors' and officers' liability insurance in respect of itself and its directors.

Matters covered in the strategic report

The principal activities, business review, financial risk management, KPIs and future developments are discussed in the strategic report on pages 1 and 2.

Top Shop/Top Man (Wholesale) Limited

Directors' report (continued) for the 53 weeks ended 1 September 2018

Dividends

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

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 ought to have been 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.

Going concern

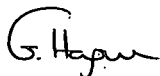
In the opinion of the directors it is appropriate to prepare the financial statements on the going concern basis as its parent company, Arcadia Group Limited ("AGL"), has confirmed its intention to provide it with continued financial support for a period of at least 12 months from the date on which the financial statements are signed. The directors believe this financial support to be required due to the Company's reliance on group financing and the ongoing trading challenges in the wider group.

The financial statements of AGL for the year ended 1 September 2018 note that AGL and the wider Arcadia Group entered into a number of Company Voluntary Arrangements in June 2019. They also make reference to material uncertainties which could impact the going concern position of the group and therefore AGL's ability to provide continued financial support to the Company.

The directors of the Company have reviewed the basis on which the AGL directors have concluded it is appropriate to prepare the AGL accounts on a going concern basis, and are satisfied with this conclusion.

The factors referred to above indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company were unable to continue as a going concern.

This report was approved by the board and authorised for issue on and was signed on its behalf on 20 September 2019



G Hague
Director
Date: 20 September 2019

Top Shop/Top Man (Wholesale) Limited

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

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the Company's affairs as at 1 September 2018 and of its profit for the 53 week period ("the period") then ended;
- have been properly prepared 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); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and financial statements (the "Annual Report"), which comprise: the balance sheet as at 1 September 2018; the profit and loss account, the statement of changes in equity for the 53 week period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 3.4 to the financial statements concerning the Company's ability to continue as a going concern.

As the Company requires continued financial support due to ongoing trading challenges, it has been given an undertaking from Arcadia Group Limited (AGL) its parent company. AGL will provide it with continued financial support for a period of at least 12 months from the date on which the financial statements are signed. The financial statements of AGL for the period end 1 September 2018 note that AGL and the wider Arcadia Group entered into a number of Company Voluntary Agreements in June 2019. They also make reference to a number of material uncertainties including ongoing trading and the availability of financing which could impact the going concern position of the Group and therefore AGL's ability to provide continued financial support to the Company.

These conditions, together with other matters explained in note 3.4 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company were unable to continue as a going concern.

Top Shop/Top Man (Wholesale) Limited

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the period ended 1 September 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Top Shop/Top Man (Wholesale) Limited

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

Use of this report

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 whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

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
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Charlotte Marnham (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
Date: 20 September 2019

Top Shop/Top Man (Wholesale) Limited

**Profit and loss account
for the 53 weeks ended 1 September 2018**

	Note	2018 £000	2017 £000
Turnover	5	58,957	58,175
Cost of sales		(41,304)	(35,126)
Gross profit		17,653	23,049
Administrative expenses		(1,197)	(686)
Profit before tax	6	16,456	22,363
Tax on profit	8	(3,127)	(4,383)
Profit for the financial period		13,329	17,980

There were no recognised gains and losses for 2018 or 2017 other than those included in the profit and loss account.

The notes on pages 11 to 17 form part of these financial statements.

All amounts relate to continuing operations.

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

Balance sheet
as at 1 September 2018

	Note	2018 £000	2017 £000
Current assets			
Debtors	9	58,590	45,245
Creditors: amounts falling due within one year	10	(31)	(15)
Net current assets		<u>58,559</u>	<u>45,230</u>
Net assets		<u><u>58,559</u></u>	<u><u>45,230</u></u>
Capital and reserves			
Called up share capital	11	-	-
Retained earnings		<u>58,559</u>	<u>45,230</u>
Total Equity		<u><u>58,559</u></u>	<u><u>45,230</u></u>

The financial statements were approved by the board and authorised for issue and were signed on its behalf on 20 September 2019.



G Hague
Director
Date: 20 September 2019

The notes on pages 11 to 17 form part of these financial statements.

Top Shop/Top Man (Wholesale) Limited

**Statement of changes in equity
for the 53 weeks ended 1 September 2018**

	Called up share capital £000	Retained earnings £000	Total equity £000
At 28 August 2016	-	27,250	27,250
Profit for the financial period	-	17,980	17,980
At 26 August 2017 and 27 August 2017	-	45,230	45,230
Profit for the financial period	-	13,329	13,329
At 1 September 2018	-	58,559	58,559

Top Shop/Top Man (Wholesale) Limited

Notes to the financial statements for the 53 weeks ended 1 September 2018

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, England, W1T 3NL.

2. Statement of compliance

The financial statements of the Company 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 periods presented, unless otherwise stated.

3.1 Basis of preparation of financial statements

The financial statements have been prepared for the 53 weeks ended 1 September 2018 (2017: 52 weeks ended 26 August 2017).

The Company's functional and presentation currency is the pound sterling. The financial statements are rounded to thousands.

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.

The Company is a subsidiary of Arcadia Group Limited and of its ultimate parent, Taveta Investments Limited. It is included in the consolidated financial statements of both Arcadia Group Limited and Taveta Investments Limited which are publicly available.

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, 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 53 weeks ended 1 September 2018

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 Going concern

In the opinion of the directors it is appropriate to prepare the financial statements on the going concern basis as its parent company, Arcadia Group Limited ("AGL"), has confirmed its intention to provide it with continued financial support for a period of at least 12 months from the date on which the financial statements are signed. The directors believe this financial support to be required due to the Company's reliance on group financing and the ongoing trading challenges it faces.

The financial statements of AGL for the year ended 1 September 2018 note that AGL and the wider Arcadia Group entered into a number of Company Voluntary Arrangements in June 2019. They also make reference to material uncertainties which could impact the going concern position of the Group and therefore AGL's ability to provide continued financial support to the Company.

The directors of the Company have reviewed the basis on which the AGL directors have concluded it is appropriate to prepare the AGL accounts on a going concern basis, and are satisfied with this conclusion.

The factors referred to above indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company were unable to continue as a going concern.

3.5 Turnover

Turnover 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 turnover 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.

i) Income from wholesale arrangements:

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

ii) Commission income from wholesale arrangements:

The Company receives a percentage payment based on the level of wholesale partner sales. This income is recognised within turnover on an accruals basis.

Top Shop/Top Man (Wholesale) Limited

Notes to the financial statements for the 53 weeks ended 1 September 2018

3. Accounting policies (continued)

3.6 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.

3.7 Amounts owed by group undertakings

Amounts owed by group undertakings are stated at cost, less any provision for impairment. Provision is made where in the opinion of the directors there has been a reduction of the amount recoverable by the Company. When assessing impairment of amounts due from group undertakings, management considers factors including the current financial position of the associated undertaking and historical experience.

Impairment provisions recognised in prior periods are assessed at each reporting date for any indication that the loss has changed. Where there is an indication that the loss has decreased or no longer exists, the impairment loss is reversed. Impairment is recognised as an exceptional item in the profit and loss account.

3.8 Creditors

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

3.9 Current 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 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.

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.

The Company makes estimates, judgements and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The Company doesn't believe there have been any estimates, judgements or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

Top Shop/Top Man (Wholesale) Limited

Notes to the financial statements for the 53 weeks ended 1 September 2018

5. Turnover

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

6. Operating profit

The operating profit is stated after charging:

	2018 £000	2017 £000
Stock recognised as an expense	38,304	28,059
Charge for shared services from Arcadia Group Limited	1,197	686

During the period, the Company had no employees (2017: none).

None of the directors received remuneration in respect of his or her services to the Company during the period (2017: £nil).

The Directors of the Company were paid for their services to the Company by a fellow group undertaking, Arcadia Group Limited, which makes no specific director recharge to the Company. Their services as directors of the Company are incidental to their other services within the Group and it is not possible to make an accurate apportionment of their emoluments in respect of their services to the Company. The key management personnel are considered to be the directors of the Company.

7. Auditors' remuneration

Auditors' remuneration of £5,000 (2017: £5,000) has been borne by Arcadia Group Limited, a fellow group undertaking. There are no non-audit fees for services provided by the auditors to the Company in the period (2017: none).

8. Tax on profit

	2018 £000	2017 £000
Current tax		
UK corporation tax charge on profit for the period	3,127	4,383
Total current tax	3,127	4,383

Top Shop/Top Man (Wholesale) Limited

Notes to the financial statements for the 53 weeks ended 1 September 2018

8. Tax on profit (continued)

Factors affecting tax charge for the period

The tax assessed for the period is the same as (2017: the same as) the standard rate of corporation tax in the UK of 19% (2017: 19.6%) as set out below:

	2018 £000	2017 £000
Profit on ordinary activities before tax	<u>16,456</u>	<u>22,363</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.0% (2017: 19.6%)	3,127	4,383
Total tax charge for the period	<u>3,127</u>	<u>4,383</u>

Factors that may affect future tax charges

The Finance Act 2016 reduced the main rate of corporation tax to 17% from 1 April 2020. Closing deferred tax balances have therefore been valued at 17% or 19% (2017: 17% or 18%) depending on the date they are expected to fully unwind.

Top Shop/Top Man (Wholesale) Limited

**Notes to the financial statements
for the 53 weeks ended 1 September 2018**

9. Debtors

	2018 £000	2017 £000
Trade debtors	4,948	3,825
Amounts owed by group undertakings	48,890	36,343
Other debtors	1,171	282
Prepayments and accrued income	3,581	4,795
	58,590	45,245

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

Trade debtors are stated after provision for impairment of £nil (2017: £nil).

10. Creditors: Amounts falling due within one year

	2018 £000	2017 £000
Trade creditors	31	15
	31	15

11. Called up share capital

	2018 £000	2017 £000
Allotted and fully paid		
1 (2017: 1) Ordinary share of £1	-	-

Top Shop/Top Man (Wholesale) Limited

Notes to the financial statements for the 53 weeks ended 1 September 2018

12. Post balance sheet events

Company voluntary arrangement

The Company is part of a Group who on 12 June 2019 announced the approval of 7 Company Voluntary Arrangements (CVAs) aimed at addressing the over-rented position of the UK estate and right-sizing the UK store portfolio in order to allow the business to implement a 3 year Business and Recovery Plan. The CVAs have been approved for the following companies:

Top Shop/Top Man Limited
Arcadia Group Limited
Burton/Dorothy Perkins Properties Limited
Outfit Retail Properties Limited
Redcastle Limited
Top Shop/Top Man Properties Limited
Wallis Retail Properties Limited

An in-depth review of the property portfolio was performed with the assistance of a number of advisors, including property, legal and financial specialists. The CVAs are effective for a period of 3 years. As a result the Group is expected to benefit by around £47 million per annum through a combination of earlier closure of loss-making stores and reduced rents and will also benefit from savings in business rates of around £23 million through to April 2020.

The CVAs have been achieved with on-going financial support from the majority shareholder both for the Group and for the UK pension schemes (see below).

The CVA rent savings have been achieved with the assistance of a rent subsidy which has been provided by the majority shareholder, which in the first 12 months will be to the value of around £9.1 million. In the subsequent 24 months the majority shareholder will continue to provide support in the form of a rent subsidy, to a maximum value of circa £9.1 million per annum.

The majority shareholder has provided a £50.0 million interest-free loan secured on the new distribution centre (DC) in Daventry and has also committed £50.0 million of equity funding to provide £10.0 million of working capital for the business and to fund the £40.0 million Creditors Compensation Fund required to carry out the CVAs. £10.0 million of this equity was received on 25 June 2019, with the balance being received on 2 September 2019.

On 15 July the CVA challenge periods ended with the Group receiving challenges from 3 legal entities representing 2 USA landlords. These challenges were subsequently withdrawn meaning that the CVAs are now challenge free.

13. Related party transactions

During the period the Company incurred a shared service recharge of £1,197,000 (2017: £686,000) from Arcadia Group Limited.

14. Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is Top Shop/Top Man Limited, 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 Group Limited and Taveta consolidated financial statements can be obtained by writing to the Secretary at Colegrave House, 70 Berners Street, London, England, W1T 3NL.

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