

Registered number: 8458338

Top Shop/Top Man (Wholesale) Limited

Annual report and financial statements

for the year ended 26 August 2017



Top Shop/Top Man (Wholesale) Limited

Company Information

Directors	R Burchill R de Dombal G Hague M Gammon S Wightman
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 LS1 4DL

Top Shop/Top Man (Wholesale) Limited

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Top Shop/Top Man (Wholesale) Limited

Strategic report for the year ended 26 August 2017

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 26 August 2017.

Business review

During the year, the Company was a subsidiary of Taveta Investments Limited ("Taveta") and a review of the group's businesses during the year, its future outlook and its position at 26 August 2017 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 £17,980,000 (2016: £12,904,000).

As at 26 August 2017 the Company had net assets of £45,230,000 (2016: net assets of £27,250,000).

Management 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 8 February 2018 and signed on its behalf.



S Wightman
Director

Top Shop/Top Man (Wholesale) Limited

Directors' report for the year ended 26 August 2017

The directors present their report and the financial statements for the year ended 26 August 2017.

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 to 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 the date of signing 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, KPIs 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 (2016: £nil).

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.

Top Shop/Top Man (Wholesale) Limited

**Directors' report (continued)
for the year ended 26 August 2017**

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: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 auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with Section 487 of the Companies Act 2006.

This report was approved by the board on 8 February 2018 and signed on its behalf.



**S Wightman
Director**

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 26 August 2017 and of its profit for the year 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 26 August 2017; the profit and loss account, the statement of changes in equity for the year 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the 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 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability 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 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 year ended 26 August 2017 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 2, 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.

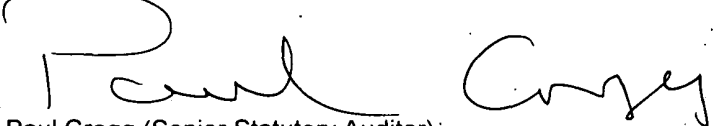
Other required reporting

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, 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.~~



Paul Cragg (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
Date: 8th February 2018

Top Shop/Top Man (Wholesale) Limited

**Profit and loss account
for the year ended 26 August 2017**

	Note	2017 £000	Restated 2016 £000
Turnover	5	58,175	47,796
Cost of sales		(35,126)	(31,062)
Gross profit		23,049	16,734
Administrative expenses		(686)	(604)
Operating profit	6	22,363	16,130
Tax on profit	8	(4,383)	(3,226)
Profit for the financial year		17,980	12,904

All amounts relate to continuing operations.

There were no other comprehensive income in 2017 or 2016 and therefore a statement of comprehensive income has not been presented.

The restatement in 2016 is disclosed in note 15.

The notes on pages 10 to 15 form part of these financial statements.

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

Balance sheet
as at 26 August 2017

	Note	2017 £000	2016 £000
Current assets			
Debtors	9	45,245	27,250
Creditors: amounts falling due within one year	10	(15)	-
Net current assets		<u>45,230</u>	<u>27,250</u>
Net assets		<u><u>45,230</u></u>	<u><u>27,250</u></u>
Capital and reserves			
Called up share capital	11	-	-
Retained earnings		<u>45,230</u>	<u>27,250</u>
Total equity		<u><u>45,230</u></u>	<u><u>27,250</u></u>

The financial statements on pages 7 to 15 were approved and authorised for issue by the board of directors and were signed on its behalf on 8 February 2018.



S Wightman
Director

The notes on pages 10 to 15 form part of these financial statements.

Top Shop/Top Man (Wholesale) Limited

**Statement of changes in equity
for the year ended 26 August 2017**

	Called up share capital £000	Retained earnings £000	Total equity £000
At 30 August 2015	-	14,346	14,346
Profit for the financial year	-	12,904	12,904
At 28 August 2016	-	27,250	27,250
Profit for the financial year	-	17,980	17,980
At 26 August 2017	-	45,230	45,230

Top Shop/Top Man (Wholesale) Limited

Notes to the financial statements for the year ended 26 August 2017

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.

3.1 Basis of preparation of financial statements

The financial statements have been prepared for the 52 weeks ended 26 August 2017 (2016: 52 weeks ended 27 August 2016).

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.

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. Therefore the Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

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 26 August 2017

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.

(i) 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.

(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 revenue on an accruals basis.

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 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.

Top Shop/Top Man (Wholesale) Limited

Notes to the financial statements for the year ended 26 August 2017

3. Accounting policies (continued)

3.7 Current and deferred 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.

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. Operating profit

	2017 £000	2016 £000
Stock recognised as an expense	17,902	15,258
Charge for shared services from Arcadia Group Limited	686	604

During the year, the company had no employees (2016: none).

None of the directors received remuneration in respect of his or her services to the Company during the year (2016: £nil)

Top Shop/Top Man (Wholesale) Limited

Notes to the financial statements for the year ended 26 August 2017

7. Auditors' remuneration

Auditors remuneration of £5,000 (2016: £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 year (2016: £nil).

8. Tax on profit

	2017 £000	2016 £000
Corporation tax		
UK corporation tax charge on profit for the year	4,383	3,226
Total current tax	4,383	3,226

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2016 - the same as) the standard rate of corporation tax in the UK of 19.6% (2016 - 20.0%) as set out below:

	2017 £000	2016 £000
Profit before taxation	22,363	16,130
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19.6% (2016 - 20.0%)	4,383	3,226
Taxation on profit	4,383	3,226

Factors that may affect future tax charges

The Finance Act 2016 was substantively enacted on 15 September 2016 and reduced the main rate of corporation tax to 18.0% from 1 April 2018 and to 17.0% from 1 April 2020. Closing deferred tax balances have therefore been valued at 17.0% or 18.0% (2016: 18.0% or 19.0%) depending on the date they are expected to fully unwind

9. Debtors

	2017 £000	2016 £000
Trade debtors	3,825	3,001
Amounts owed by group undertakings	36,343	20,093
Other debtors	282	200

Top Shop/Top Man (Wholesale) Limited

**Notes to the financial statements
for the year ended 26 August 2017**

9. Debtors (continued)

Prepayments and accrued income	4,795	3,956
	<hr/>	<hr/>
	45,245	27,250
	<hr/>	<hr/>

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

Trade debtors are stated after provision for impairment of £nil (2016: £nil).

10. Creditors: Amounts falling due within one year

	2017 £000	2016 £000
Trade creditors	15	-
	<hr/>	<hr/>
	15	-
	<hr/>	<hr/>

11. Called up share capital

	2017 £	2016 £
Allotted and fully paid		
1 (2016: 1) ordinary share of £1	1	1
	<hr/>	<hr/>

12. Related party transactions

During the year the Company incurred a shared service recharge of £686,000 (2016: £604,000) from Arcadia Group Limited.

At the year end the amount owed by Arcadia Group Limited to the Company was £36,343,000 (2016: £20,093,000).

Top Shop/Top Man (Wholesale) Limited

Notes to the financial statements for the year ended 26 August 2017

13. 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 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.

14. 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 26 August 2017 no contingent liabilities were identified that required a provision (2016: none).

15. Prior year adjustment

During the year the Company reviewed its accounting policy in relation to amounts receivable and amounts payable under specific margin based contracts and has reflected this in the profit and loss account as at 27 August 2016 and 26 August 2017.

The effect of the restatement at 27 August 2016 has been to increase turnover by £11,896,000 and to increase cost of sales by the same amount. This adjusted accounting treatment fairly reflects the substance of the transaction and the amounts exchanged. There has been no impact on the profit for the financial year, equity or cash flow as a result of the restatement.

The effect of this as at 26 August 2017 has been to increase turnover by £17,616,000 and to increase cost of sales by the same amount. There has been no impact on the profit for the financial year, equity or cash flow as a result of this.