

Registered number: 09630291

## **Bectin Limited**

### **Annual report and consolidated financial statements**

**For the period ended 25 March 2017**



# **Bectin Limited**

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# **Bectin Limited**

## **Company information**

### **Directors**

B C Rucker  
N C T Wheeler

### **Registered office**

Forward House  
8 Duke Street  
Bradford  
West Yorkshire  
BD1 3QX

### **Auditor**

Deloitte LLP  
Statutory Auditor  
London  
United Kingdom

# **Bectin Limited**

## **Strategic report**

### **For the period ended 25 March 2017**

The directors present their strategic report for the year ended 25 March 2017. The comparative figures include Charles Tyrwhitt Shirts Limited for the period from 17 July 2015 to 26 March 2016.

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

This strategic report has been prepared for the group as a whole and therefore gives greater emphasis to those matters which are significant to Bectin Limited (the "company") and its subsidiary undertakings when viewed as a whole (the "group").

The principal trading entities within the group are The White Company (U.K.) Limited, together with its underlying subsidiaries, and Charles Tyrwhitt Shirts Limited.

#### **Principal activity**

The principal activity of Bectin Limited is a holding company for the investments in The White Company (U.K.) Limited and Charles Tyrwhitt Shirts Limited and other financial assets. The company also provides management services to its subsidiary undertakings.

The principal activity of The White Company (U.K.) Limited is the sale of high-quality bed linen and other household accessories, clothing, gifts and a separate children's range, providing impeccably stylish everyday luxury, principally in white. This is not expected to change in the foreseeable future.

The principal activity of Charles Tyrwhitt Shirts Limited is the sale by mail order, retail and the internet of men's and ladies' apparel and accessories. The key markets for Charles Tyrwhitt are the UK, USA, Germany & Australia. This is not expected to change in the foreseeable future.

#### **Fair review of the principal businesses**

##### *The White Company (U.K.) Limited*

2017 was another successful period for The White Company (U.K.) Limited ("the company"). The operating profit increased by 1.8% to £17.6m versus the prior period (2016: £17.3m).

Turnover for the period increased to £198.4m (2016: £184.3m) with all areas of the business performing strongly. During the period, three stores were opened so that by the end of the period 57 (2016: 54) stores were trading (including 7 (2016: 6) concessions). Three stores were moved to better commercial locations during the year (2016: nil).

The cash position of the company remains strong. Operating cash flow was £21.9m and £7.6m was reinvested in capital expenditure in the year for stores and IT systems.

##### *Charles Tyrwhitt Shirts Limited*

Turnover for the period increased to £194.4m (2016: £114.7m for the period 17 July 2015 to 26 March 2016). During the year, two stores were opened so that by the end of the period 22 stores (2016: 20) were trading. The cash position of the company remains strong following a year of significant investment for future growth. The company has net assets of £125.9m (2016: £131.2m). During the year the company amortised intangible assets totalling £7.1m, including goodwill, arising from the acquisition of the company by Bectin Limited and following the cessation of the development of a major software project also incurred an exceptional charges of £6.5 million in respect of the impairment of intangible assets, £1.9 million in the respect of tangible assets, £7.9 million in respect of the amortisation of intangible assets, £0.5 million in respect of leasehold property dilapidation provisions, and termination and other legal costs of £0.9 million.

The group uses a range of performance measures to monitor and manage the business effectively. These are both financial and non-financial, the most significant of which are the key performance indicators. These include a suite of KPIs that are reported on a weekly basis, including turnover, gross profit, stock, channel and store performance and customer metrics.

# **Bectin Limited**

## **Strategic report**

### **For the period ended 25 March 2017**

The KPIs are assessed versus annual budget, quarterly forecasts and prior years.

Selected KPIs have been presented below:

	<b>2017</b>	<b>2016</b>	
Turnover growth	31%	*83%	Year on year sales growth expressed as a %
Gross profit margin	54%	*56%	Gross profit expressed as a % of revenue

\*The significant growth for the previous period is due to the group acquiring Charles Tyrwhitt Shirts Limited.

#### **Principal risks and uncertainties**

The group remains focused on maintaining and improving its sales in a very competitive market. The principal risks facing the group are to retain existing customers and recruit new ones. These risks are regularly monitored through the KPIs and are mitigated through actions taken across the group.

The UK's decision to leave the EU has resulted in uncertainty for the outlook of the UK economy. Although difficult to gauge all of the implications, the presence in overseas markets means that the group finds itself in a strong position to continue its growth through this period.

The group has some exposure to foreign exchange risk. A proportion of finished goods are purchased in US Dollars or Euros, and this exposure is mitigated by entering into forward foreign exchange contracts. The group has credit facilities in place which are used to manage seasonal working capital requirements. The group monitors cash flow as part of its day-to-day control procedures. The Operating Board reviews cash flow projections on a monthly basis and ensures that appropriate facilities are in place.

Further details of specific financial risks faced by the company can be found in the directors' report on page 4.

#### **Future developments**

The markets in which the group operate remain very competitive. The Board remains focused on maintaining and improving the brands in all of its aspects, including product quality, product range and service offering. The business has plans to open further stores in the UK, in appropriate locations, and to attract new customers to the brand.

The group is also focused on ensuring its infrastructure is appropriate for the current business and its future growth, and is planning to invest accordingly.

Details of significant events since the balance sheet date are contained in note 33 to the financial statements.

Approved by the Board on **26.01.2018** and signed on its behalf by:



N C T Wheeler  
Director

Forward House  
8 Duke Street  
Bradford  
West Yorkshire BD1 3QX

# **Bectin Limited**

## **Directors' report**

### **For the period ended 25 March 2017**

The directors present their annual report on the affairs of Bectin Limited ("the group"), together with the consolidated financial statements and auditor's report, for the year ended 25 March 2017. The comparative figures include Charles Tyrwhitt Shirts Limited for the period from 17 July 2015 to 26 March 2016.

The company has chosen in accordance with section 414C(11) of Companies Act 2006, to include such matters of strategic importance to the group in the Strategic report which otherwise would be required to be disclosed in the Directors' report.

#### **Future developments and events after the balance sheet date**

Details of future developments and events that have occurred after the balance sheet date can be found in the Strategic report on pages 2 and 3 and form part of this report by cross-reference.

#### **Going concern**

The directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of accounting policies in the financial statements (note 2).

#### **Results and dividends**

The profit for the year was £14.9m (2016: £15.9m).

No dividends were paid or proposed in the period.

#### ***Financial risk management***

The group's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the group's policies approved by the board of directors. The group does not use derivative financial instruments for speculative purposes.

#### **Cash flow risk**

The group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The group uses foreign exchange forward contracts to mitigate these exposures.

#### **Credit risk**

The group's principal financial assets are bank balances and cash and trade and other receivables.

The group's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of allowances for bad debts. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

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

The group has no significant concentration of credit risk.

#### ***Economic environment, market risk and competition***

The group's results can be impacted by the underlying macroeconomic performance of the territories in which it operates. The performance of the economy in our key UK, German, North American and Australian markets impacts consumer spending and therefore affects the performance of the group. The group mitigates its macroeconomic risks by closely monitoring its key territories and considers their performance when appraising future expansion plans.

**Bectin Limited**  
**Directors' report**  
**For the period ended 25 March 2017**

*Supply chain*

The group is reliant on certain key suppliers to produce and deliver high quality products synonymous with its brands. Therefore, issues arising that may impact our suppliers could subsequently adversely impact our business. To limit this risk, we review our supplier base on a regular basis.

**Liquidity risk**

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the group uses a mixture of long-term and short-term debt finance.

**Directors**

The directors who served throughout the period were as follows:

B C Rucker  
N C T Wheeler

**Directors' indemnities**

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

**Disabled employees**

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

**Employee consultation**

The group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the group. This is achieved through formal and informal meetings, a newsletter and a special edition for employees of the annual financial statements. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests. In addition, all employees receive an annual bonus related to the overall profitability of the group.

**Auditor**

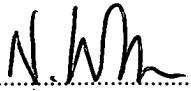
Each of the persons who is a director at the date of approval of this report confirms that:

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

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

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 26.01.2018 and signed on its behalf by:

  
.....  
N C T Wheeler  
Director

Forward House  
8 Duke Street  
Bradford  
West Yorkshire BD1 3QX

# **Bectin Limited**

## **Directors' responsibility statement**

### **For the period ended 25 March 2017**

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

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

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



## **Independent auditor's report to the members of Bectin Limited**

We have audited the financial statements of Bectin Limited for the year ended 25th March 2017, which comprise of the Group Profit and Loss Account, the Group Statement of Comprehensive Income, the Group and Parent Company Balance Sheets, the Group and Parent Company Statement of Changes in Equity, the Group Cash Flow Statement and the related notes 1 to 34. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

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 parent 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. 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.

### **Opinion on financial statements**

- In our opinion the financial statements:
- give a true and fair view of the state of the group's and of the parent company's affairs as at 25th March 2017 and of the group's 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.

### **Opinion on other matters prescribed by the Companies Act 2006**

- In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

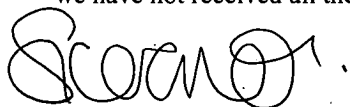
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

## **Independent auditor's report to the members of Bectin Limited (continued)**

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Sukhbinder Kooner (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London

United Kingdom

Date 26<sup>th</sup> January 2018

**Bectin Limited**  
**Consolidated profit and loss account**  
**For the period ended 25 March 2017**

	Note	Period ended 25 March 2017 £ 000	Period ended 26 March 2016 £ 000
<b>Turnover</b>	4	392,747	299,229
Cost of sales		(178,753)	(130,123)
<b>Gross profit</b>		213,994	169,106
Distribution costs		(66,543)	(42,885)
Administrative expenses before exceptional expenditure		(117,471)	(108,481)
<i>Non-recurring exceptional items of expenditure:</i>			
Impairment of intangible assets		(6,502)	-
Depreciation of tangible assets on abandoned projects		(1,900)	-
Amortisation of intangible assets on abandoned projects		(7,900)	-
Dilapidation of leasehold property		(464)	-
Termination expenses and legal fees		(867)	-
<i>Total administrative expenses:</i>		(135,104)	(108,481)
Other gains and losses	5	7,906	1,503
Other operating income	6	760	204
<b>Operating profit</b>		21,013	19,447
Interest receivable and similar income	8	19	20
Interest payable and similar charges	9	(566)	(136)
<b>Profit on ordinary activities before taxation</b>	7	20,466	19,331
Tax on profit on ordinary activities	13	(5,590)	(3,444)
<b>Profit for the financial period</b>		14,876	15,887
<b>Profit attributable to:</b>			
Owners of the company		15,138	15,823
Non-controlling interest		(262)	64
		14,876	15,887

The above results were derived from continuing operations.

The notes on pages 16 to 41 form an integral part of these financial statements.

**Bectin Limited**  
**Consolidated statement of comprehensive income**  
**For the period ended 25 March 2017**

	<b>Period ended 25 March 2017 £ 000</b>	<b>Period ended 26 March 2016 £ 000</b>
Profit for the period	14,876	15,887
Unrealised loss on cash flow hedges	(144)	(1,444)
Reclassification adjustments for gains included in profit	-	481
Deferred tax on cash flow hedge	27	178
<b>Other comprehensive loss</b>	<b>(117)</b>	<b>(785)</b>
<b>Total comprehensive income for the period</b>	<b>14,759</b>	<b>15,102</b>
<b>Profit for the period attributable to:</b>		
Non-controlling interest	(262)	64
Equity shareholders of the company	15,138	15,823
	<b>14,876</b>	<b>15,887</b>
<b>Total comprehensive income for the period attributable to:</b>		
Non-controlling interest	(268)	24
Equity shareholders of the company	15,027	15,078
	<b>14,759</b>	<b>15,102</b>

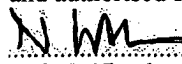
The notes on pages 16 to 41 form an integral part of these financial statements.

# Bectin Limited

## Consolidated balance sheet as at 25 March 2017

	Note	25 March 2017 £ 000	26 March 2016 £ 000
<b>Fixed assets</b>			
Intangible assets	15	139,957	148,500
Tangible assets	16	26,526	22,892
Other financial assets	23	43,054	33,014
		<u>209,537</u>	<u>204,406</u>
<b>Current assets</b>			
Stocks	18	54,014	51,650
Debtors	19	26,635	25,582
Debtors due after one year	19	1,196	1,815
Cash at bank and in hand		13,013	19,947
		<u>94,858</u>	<u>98,994</u>
<b>Creditors: amounts falling due within one year</b>	20	(115,418)	(125,629)
<b>Net current liabilities</b>		<u>(20,560)</u>	<u>(26,635)</u>
<b>Total assets less current liabilities</b>		<u>188,977</u>	<u>177,771</u>
<b>Creditors: amounts falling due after more than one year</b>	20	(19,283)	(23,413)
<b>Provisions for liabilities</b>	25	(16,356)	(16,292)
<b>Total liabilities</b>		<u>(151,057)</u>	<u>(165,334)</u>
<b>Net assets</b>		<u>153,338</u>	<u>138,066</u>
<b>Capital and reserves</b>			
Called-up share capital	21	-	-
Share premium reserve	21	639	126
Merger relief reserve	21	93,537	93,537
Profit and loss account	21	53,816	38,678
Hedging reserve	21	(856)	(745)
<b>Equity attributable to owners of the company</b>		<u>147,136</u>	<u>131,596</u>
<b>Non-controlling interest</b>		<u>6,202</u>	<u>6,470</u>
<b>Shareholders' funds</b>		<u>153,338</u>	<u>138,066</u>

The financial statements of Bectin Limited (registration number: 09630291) were approved by the Board of directors and authorised for issue on 26.01.2018. They were signed on its behalf by:

  
N C T Wheeler  
Director

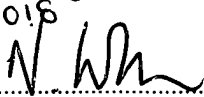
The notes on pages 16 to 41 form an integral part of these financial statements.

**Bectin Limited**  
**Company balance sheet as at 25 March 2017**

	Note	25 March 2017 £ 000	26 March 2016 £ 000
<b>Fixed assets</b>			
Investments	17	122,591	122,591
Other financial assets	23	43,054	33,014
		<u>165,645</u>	<u>155,605</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	19	9	2,469
Cash at bank and in hand		98	103
		<u>107</u>	<u>2,572</u>
<b>Total assets</b>		<u>165,752</u>	<u>158,177</u>
<b>Creditors: amounts falling due within one year</b>	20	<u>(44,320)</u>	<u>(50,424)</u>
<b>Net current liabilities</b>		<u>(44,213)</u>	<u>(47,852)</u>
<b>Total assets less current liabilities</b>		121,432	107,753
<b>Provisions for liabilities</b>	25	<u>(1,086)</u>	<u>(289)</u>
<b>Total liabilities</b>		<u>(45,406)</u>	<u>(50,713)</u>
<b>Net assets</b>		<u>120,346</u>	<u>107,464</u>
<b>Capital and reserves</b>			
Called-up share capital	21	-	-
Share premium reserve	21	639	126
Merger relief reserve	21	93,537	93,537
Profit and loss account	21	26,170	13,801
<b>Shareholders' funds</b>		<u>120,346</u>	<u>107,464</u>

The parent company's profit for the year was £12,369,000 (2016: a profit of £13,981,000).

The financial statements of Bectin Limited (registration number: 09630291) were approved by the Board of directors and authorised for issue on 26.01.2018

They were signed on its behalf by: 

N C T Wheeler

Director

The notes on pages 16 to 41 form an integral part of these financial statements.

**Bectin Limited**  
**Consolidated statement of changes in equity**  
**For the period ended 25 March 2017**

	Called-up share capital £ 000	Share premium reserve £ 000	Merger relief reserve £ 000	Cashflow hedge reserve £ 000	Profit and loss account £ 000	Non- controlling interests £ 000	Total £ 000
At 20 June 2015.	-	126	-	-	22,855	-	22,981
Profit for the period	-	-	-	-	15,823	64	15,887
Other comprehensive income	-	-	-	(745)	-	(40)	(785)
<b>Total comprehensive income</b>	-	-	-	(745)	15,823	24	15,102
Premium on equity share issue	-	-	93,537	-	-	4,923	98,460
Increase in non-controlling interests	-	-	-	-	-	1,523	1,523
<b>At 26 March 2016</b>	-	126	93,537	(745)	38,678	6,470	138,066
Profit for the period	-	-	-	-	15,138	(262)	14,876
Other comprehensive income	-	-	-	(111)	-	(6)	(117)
<b>Total comprehensive income</b>	-	-	-	(111)	15,138	(268)	14,759
Premium on equity share issue	-	513	-	-	-	-	513
<b>At 25 March 2017</b>	-	639	93,537	(856)	53,816	6,202	153,338

The notes on pages 16 to 41 form an integral part of these financial statements.

**Bectin Limited**  
**Company statement of changes in equity**  
**For the period ended 25 March 2017**

	Called-up share capital £ 000	Share premium reserve £ 000	Merger relief reserve £ 000	Profit and loss account £ 000	Total £ 000
At 20 June 2015	-	-	-	-	-
Profit for the period	-	-	-	13,801	13,801
<b>Total comprehensive income</b>	-	-	-	13,801	13,801
Premium on equity share issue	-	126	93,537	-	93,663
<b>At 26 March 2016</b>	-	126	93,537	13,801	107,464
Profit for the period	-	-	-	12,369	12,369
<b>Total comprehensive income</b>	-	-	-	12,369	12,369
Premium on equity share issue	-	513	-	-	513
<b>At 25 March 2017</b>	-	639	93,537	26,170	120,346

The notes on pages 16 to 41 form an integral part of these financial statements.



**Bectin Limited**  
**Consolidated statement of cash flows**  
**For the period ended 25 March 2017**

	Note	Period ended 25 March 2017 £ 000	Period ended 26 March 2016 £ 000
<b>Cash flows from operating activities</b>	31	18,156	4,912
<b>Taxation paid</b>			
Corporation tax		(5,685)	(3,617)
<b>Cash flows from investing activities</b>			
Interest received		19	20
Purchase of fixed assets		(18,920)	(45,779)
Sale of fixed assets		112	-
Purchase of other financial assets		(7,158)	-
Disposal of other financial assets		11,483	-
Cash transferred as part of the acquisition		-	(20)
<b>Net cash flows from investing activities</b>		(14,464)	(45,759)
<b>Cash flows from financing activities</b>			
Interest paid		(566)	(136)
New bank loans raised		-	28,125
Bank loans repaid		(4,375)	-
Loans to directors		-	(2,456)
Loans received from directors		-	21,406
<b>Net cash flows from financing activities</b>		(4,941)	46,939
<b>Net increase in cash and cash equivalents</b>		(6,934)	14,033
<b>Cash and cash equivalents at beginning of period</b>		19,947	5,914
<b>Cash and cash equivalents at end of period</b>		13,013	19,947
<b>Reconciliation to cash at bank and in hand</b>			
Cash at bank and in hand		13,013	19,947

The notes on pages 16 to 41 form an integral part of these financial statements.

# **Bectin Limited**

## **Notes to the financial statements**

### **For the period ended 25 March 2017**

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

Bectin Limited is a private company limited by share capital incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales.

The address of its registered office is:

Forward House  
8 Duke Street  
Bradford  
West Yorkshire  
BD1 3QX

The nature of the group's operations and its principal activities are set out in the Strategic report on pages 2 to 3.

#### **2. Accounting policies**

##### **Summary of significant 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 the periods presented, unless otherwise stated.

##### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

##### **Basis of accounting**

These financial statements have been prepared under the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

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

The functional currency of Bectin Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

##### **Basis of accounting policies**

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings for the financial year ended 25 March 2017.

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

In 2015 the company legally acquired The White Company (UK) Limited, together with its underlying subsidiaries on the Transfer Date. Prior to the Transfer Date, the company and The White Company (UK) Limited had the same ultimate owner and therefore were considered to be under common control prior to The Transfer Date. The acquisition has been accounted for using the merger accounting method, where the financial statements of the group are presented as a continuation of an existing group, on the basis of ultimate common control and, therefore, outside the scope of Business combinations.

**Bectin Limited**  
**Notes to the financial statements (continued)**  
**For the period ended 25 March 2017**

**2. Accounting policies (continued)**

The results of subsidiaries acquired or disposed of during the year are included in the profit and loss account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income is presented in respect of the parent company.

**Going concern**

The directors have a reasonable expectation that the group have adequate resources to continue in operational existence for the foreseeable future. The group has net current liabilities of £20.6 million including loans due to directors of £21.5 million and has financial investments of £43 million. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**Revenue recognition**

Turnover represents sales to customers at invoiced amounts less value added tax and other sales related taxes. Retail turnover is recognised when the company sells a product to the customer. Web, mail order and wholesale turnover is recognised upon dispatch from the distribution centre at which point title passes to the customer.

The group sells retail products with the right of return and experience is used to estimate and provide for the value of such returns at the time of sale when considered significant. Credit note, exchanges or refunds are available to customers returning unwanted products with proof of purchase within 30 days of the date of receipt.

Sales of gift vouchers are treated as future liabilities and turnover is recognised when the gift vouchers are redeemed against a later transaction.

**Intangible assets**

Intangible fixed assets are initially recognised at cost. Subsequently intangible fixed assets are stated at cost net of amortisation and any provision for impairment. Amortisation is provided at rates calculated to write off the cost of the intangible fixed assets over their useful lives. The carrying value of intangible fixed assets is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

**Amortisation**

Trademarks and patents  
Computer software

**Amortisation method and rate**

10 - 20 years  
3 years or 5 years for major system developments

**Bectin Limited**  
**Notes to the financial statements (continued)**  
**For the period ended 25 March 2017**

**2. Accounting policies (continued)**

**Tangible assets**

All fixed assets are initially recorded at cost. Subsequently tangible fixed assets are stated at cost net of depreciation and any provision for impairment.

**Depreciation**

**Asset class**

Leasehold and property improvements

Fixtures and fittings

Plant and machinery

Office equipment

**Depreciation method and rate**

The higher of 4 years and next lease break

4-6 years

4 years

4 years

**Impairment of assets**

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss.

**Financial instruments**

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

**Financial assets and liabilities**

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

**Investments**

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

**Derivative financial instruments**

The group uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The group does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately.

**Stocks**

Stocks are stated at the lower of cost and net realisable value.

**Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**Bectin Limited**  
**Notes to the financial statements (continued)**  
**For the period ended 25 March 2017**

**2. Accounting policies (continued)**

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

**Foreign currency transactions and balances**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange-ruling at the balance sheet date.

All differences are taken to the profit and loss account.

**Leases assets**

The group has no assets which are financed by leasing arrangements that give rights approximating to ownership (finance leases). All the leases are operating leases. Costs in respect of operating leases are charged in arriving at the operating profit on a straight-line basis over the term of the lease.

**Lease incentives**

Reverse premiums and similar incentives received to enter into operating lease agreements are released to the profit and loss account over the period of the lease term.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

**Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the debtors.

**Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

**Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

**Provisions**

Provisions are recognised when the group has an obligation at the reporting date as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

**Bectin Limited**  
**Notes to the financial statements (continued)**  
**For the period ended 25 March 2017**

**2. Accounting policies (continued)**

**Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

**Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

**Defined contribution pension obligation**

The group operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

In the application of the group's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**3. Critical accounting judgements and key sources of estimation uncertainty**

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

**Stock and finished goods provision**

The accounting estimate related to valuation of stocks is considered a "critical accounting estimate" because it is susceptible to changes from period-to-period due to the requirement for management to make estimates relative to each of the underlying factors, ranging from purchasing, to sales, to producing. If actual demand or market conditions differ from estimates, stocks adjustments to lower markets values would result in a reduction to the carrying value of stocks, an increase in stocks write-offs and a decrease to gross margins.

**Purchase of trade and certain assets and liabilities of Charles Tyrwhitt LLP**

On 2 August 2015, the group purchased through Charles Tyrwhitt Shirts Limited the trade and certain assets and liabilities of Charles Tyrwhitt LLP at their book values. As required by FRS 102, the group accounted for this as an acquisition using the purchase method which requires the group to determine the fair values of the assets and liabilities acquired. Judgement was required as to whether this was qualified as a merger or an acquisition with the directors concluding this was an acquisition. This judgement was based on the group restructure as a whole noting that the ultimate controlling party of the Charles Tyrwhitt Shirts Limited became Bectin Limited during the period to 26 March 2016 which is not controlled by the same party which controlled Charles Tyrwhitt LLP before the restructuring event. Determining the fair values required critical judgement. The valuation performed used management approved cash flows budgets and suitable discount rates in order to calculate a fair value of the trade and net assets acquired. Valuations of the individual assets and liabilities acquired were then subsequent computed to allocate this fair value to the recognised and previously unrecognised assets and liabilities acquired using standard valuation methodology.

**Bectin Limited**  
**Notes to the financial statements (continued)**  
**For the period ended 25 March 2017**

**3. Critical accounting judgements and key sources of estimation uncertainty (continued)**

**Purchase of The White Company (UK) Limited**

On 26 June 2015 the group purchased The White Company (UK) Limited. The group has accounted for this using the merger accounting method. Judgement was required as to whether this qualified as a merger or an acquisition with the directors concluding this was a merger. This judgement was based on determining the ultimate controlling party of the group and The White Company (UK) Limited were the same at the date of acquisition.

**4. Turnover**

The analysis of the group's revenue is as follows:

	Period ended 25 March 2017 £ 000	Period ended 26 March 2016 £ 000
Sale of goods	392,747	299,229

The analysis of the group's turnover by geographical market is set out below:

	Period ended 25 March 2017 £ 000	Period ended 26 March 2016 £ 000
<b>Turnover:</b>		
United Kingdom	267,783	227,900
Rest of the world	124,964	71,329
	392,747	299,229

**5. Other gains and losses**

The analysis of the group's other gains and losses for the period is as follows:

	Period ended 25 March 2017 £ 000	Period ended 26 March 2016 £ 000
Gains from revaluation of listed investments	5,716	1,325
Gains from disposals of investments	2,190	178
	7,906	1,503

**Bectin Limited**  
**Notes to the financial statements (continued)**  
**For the period ended 25 March 2017**

**6. Other operating income**

The analysis of the group's other operating income for the period is as follows:

	Period ended 25 March 2017 £ 000	Period ended 26 March 2016 £ 000
Investment income	613	73
Rental income	50	50
Other income	97	81
	<hr/>	<hr/>
	760	204
	<hr/>	<hr/>

**7. Profit on ordinary activities before taxation**

Profit on ordinary activities before taxation is stated after charging):

	Period ended 25 March 2017 £ 000	Period ended 26 March 2016 £ 000
Depreciation expense (note 16)	6,574	4,964
Amortisation of intangible assets (note 15)	10,641	6,994
Impairment of intangible assets (note 15)	6,502	-
Operating lease expense	22,198	17,708
Foreign exchange losses	312	531
Costs of stocks recognised as expense	162,498	130,205
Write downs of stocks recognised as an expense	2,200	1,329
	<hr/>	<hr/>

**8. Interest receivable and similar income**

	Period ended 25 March 2017 £ 000	Period ended 26 March 2016 £ 000
Interest income on financial assets	19	20
	<hr/>	<hr/>



**Bectin Limited**  
**Notes to the financial statements (continued)**  
**For the period ended 25 March 2017**

**9. Interest payable and similar charges**

	<b>Period ended 25 March 2017 £ 000</b>	<b>Period ended 26 March 2016 £ 000</b>
Bank loans and overdrafts	566	136

**10. Staff costs**

The average monthly number of employees (including executive directors) was:

	<b>Period ended 25 March 2017 Number</b>	<b>Period ended 26 March 2016 Number</b>
Sales	1,899	1,717
Administration	439	311
Distribution	104	230
	<b>2,442</b>	<b>2,258</b>

Their aggregate remuneration comprised:

	<b>Period ended 25 March 2017 £ 000</b>	<b>Period ended 26 March 2016 £ 000</b>
Wages and salaries	51,017	40,545
Social security costs	4,738	3,687
Other pension costs (see note 26)	1,071	821
	<b>56,826</b>	<b>45,053</b>

**Bectin Limited**  
**Notes to the financial statements (continued)**  
**For the period ended 25 March 2017**

**11. Directors' remuneration**

The directors' remuneration for the period was as follows:

	Period ended 25 March 2017 £ 000	Period ended 26 March 2016 £ 000
Emoluments	-	131

The directors' drew no remuneration and received no benefits in the year (2016: £131,000).

In respect of the highest-paid director:

	Period ended 25 March 2017 £ 000	Period ended 26 March 2016 £ 000
Emoluments (including amounts receivable under long-term incentive schemes)	-	91

**12. Auditor's remuneration**

	Period ended 25 March 2017 £ 000	Period ended 26 March 2016 £ 000
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	20	18
Fees payable to the company's auditor and its associates for audit of the group's annual accounts		
The audit of the company's subsidiaries	84	88
<b>Total audit fees</b>	<b>104</b>	<b>106</b>
Audit-related services	3	2
Taxation compliance services	10	16
Taxation advisory services	89	-
IT advisory services	130	-
Other services	6	18
<b>Total non-audit fees</b>	<b>238</b>	<b>36</b>

**Bectin Limited**  
**Notes to the financial statements (continued)**  
**For the period ended 25 March 2017**

**13. Tax on profit on ordinary activities)**

The tax charge comprises:

	Period ended 25 March 2017 £ 000	Period ended 26 March 2016 £ 000
<b>Current taxation</b>		
UK corporation tax	5,983	5,005
UK corporation tax adjustment to prior periods	(43)	139
Overseas tax paid	33	-
	<u>5,973</u>	<u>5,144</u>
<b>Deferred tax</b>		
Arising from origination and reversal of timing differences	(418)	(1,902)
Arising from changes in tax rates and laws	35	202
	<u>(383)</u>	<u>(1,700)</u>
<b>Total deferred taxation</b>		
	<u>(383)</u>	<u>(1,700)</u>
<b>Total tax on profit on ordinary activities</b>	<u>5,590</u>	<u>3,444</u>

The tax on profit before tax for the period is greater than the standard rate of corporation tax in the UK (2016: lower than the standard rate of corporation tax in the UK) of 20% (2016: 20%).

The differences are reconciled below:

	Period ended 25 March 2017 £ 000	Period ended 26 March 2016 £ 000
<b>Profit on ordinary activities before tax</b>	<u>20,466</u>	<u>19,331</u>
<b>Tax on profit of ordinary activities at standard UK corporation tax rate of 20% (2016: 20%)</b>	<u>4,093</u>	<u>3,865</u>
<b>Effects of:</b>		
Expense not deductible for tax purposes	863	552
Adjustment to tax charge in respect of previous periods	35	138
Losses brought forward utilised	(41)	-
Income not taxable	(416)	-
Other timing differences	1,056	(13)
	<u>1,497</u>	<u>(421)</u>
<b>Tax charge for the year</b>	<u>5,590</u>	<u>3,444</u>

**Bectin Limited**  
**Notes to the financial statements (continued)**  
**For the period ended 25 March 2017**

**13. Tax on profit on ordinary activities (continued)**

In the 2015 Summer Budget, the Chancellor announced a reduction to UK corporation tax from 20% to 19% (effective from 1 April 2017) and 18% (effective from 1 April 2020) and these rates were substantively enacted on 26 October 2015. In the 2016 Budget, the Chancellor announced a further reduction in the UK corporation tax rate to 17% from 1 April 2020 and this rate was substantially enacted through the Finance Act 2016. This will reduce the company's future current tax charge accordingly.

**14. Profit attributable to the parent company**

The profit for the period dealt with the financial statements of the parent company was £12,793,000 (2016: £13,801,000). As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income is presented in respect of the parent company.

**Bectin Limited**  
**Notes to the financial statements (continued)**  
**For the period ended 25 March 2017**

**15. Intangible assets**

**Group**

	<b>Goodwill £ 000</b>	<b>Trademarks, patents and licenses £ 000</b>	<b>Customer relationships £ 000</b>	<b>Assets in the course of construction £ 000</b>	<b>Web &amp; software £ 000</b>	<b>Total £ 000</b>
<b>Cost or valuation</b>						
At 26 March 2016	52,014	83,507	3,177	2,582	21,628	162,908
Additions	-	-	-	2,793	5,812	8,605
Disposals	-	(95)	-	-	(7)	(102)
Transfers	-	-	-	(492)	492	-
At 25 March 2017	52,014	83,412	3,177	4,883	27,925	171,411
<b>Amortisation</b>						
At 26 March 2016	1,795	2,899	106	-	9,608	14,408
Amortisation charge	2,693	4,179	159	-	3,610	10,641
Impairment charge	-	-	-	4,883	1,619	6,502
Disposals	-	(90)	-	-	(7)	(97)
At 25 March 2017	4,488	6,988	265	4,883	14,830	31,454
<b>Net book value</b>						
At 25 March 2017	47,526	76,424	2,912	-	13,095	139,957
At 26 March 2016	50,219	80,608	3,071	2,582	12,020	148,500

**Bectin Limited**  
**Notes to the financial statements (continued)**  
**For the period ended 25 March 2017**

**16. Tangible assets**

**Group**

	Leasehold improvements £ 000	Furniture, fittings and equipment £ 000	Computer hardware £ 000	Plant and machinery £ 000	Office equipment £ 000	Assets under construction £ 000	Total £ 000
<b>Cost or valuation</b>							
At 26 March 2016	20,668	23,962	6,936	45	354	673	52,638
Additions	3,337	4,001	1,380	10	5	1,582	10,315
Disposals	(758)	(1,177)	(141)	-	(4)	-	(2,080)
Transfers	1,487	643	64	-	-	(2,194)	-
At 25 March 2017	24,734	27,429	8,239	55	355	61	60,873
<b>Depreciation</b>							
At 26 March 2016	10,272	14,999	4,090	44	341	-	29,746
Charge for the period	2,353	2,688	1,523	2	8	-	6,574
Disposals	(687)	(1,156)	(127)	-	(3)	-	(1,973)
At 25 March 2017	11,938	16,531	5,486	46	346	-	34,347
<b>Net book value</b>							
At 25 March 2017	12,796	10,898	2,753	9	9	61	26,526
At 26 March 2016	10,396	8,963	2,846	1	13	673	22,892

# Bectin Limited

## Notes to the financial statements (continued) For the period ended 25 March 2017

### 17. Fixed asset investments

	Company 25 March 2017 £ 000	26 March 2016 £ 000
Investments in subsidiaries	122,591	122,591

### Group

#### Details of undertakings

The parent company and the group have investments in the following subsidiary undertakings, associates and other investments.

Undertaking	Country of incorporation	Principal activity	Holding	Proportion of voting rights and shares held
<b>Subsidiary undertakings</b>				
Charles Tyrwhitt Shirts Limited	England and Wales	Sale of apparel and accessories	Ordinary	95%
The White Company Holding Co Limited	England and Wales	Holding company	Ordinary	100%
The White Company (U.K.) Limited	England and Wales	Sale of household accessories	Ordinary	100%
TWC Delivery Company Limited+	England and Wales	Delivery services for The White Company Group	Ordinary	100%
The White Company Inc *	United States of America	Sale of apparel and accessories	Common	100%
The White Company (London) LLP (dissolved 5 September 2017)	England and Wales	Dormant (now dissolved)	Ordinary	100%

+ Held directly by The White Company Limited. \* Held directly by The White Company Holding Co Limited.

On 17 May 2017 Bectin transferred all of its holding of shares in The White Company (U.K.) Limited to The White Company Holding Co Limited.

The registered addresses of each subsidiary are disclosed in note 34.

# Bectin Limited

## Notes to the financial statements (continued) For the period ended 25 March 2017

### 17. Fixed asset investments continued

#### Company

<b>Subsidiaries</b>	<b>£ 000</b>
<b>Cost or valuation</b>	
At 26 March 2016 and 25 March 2017	122,591
<b>Net book value</b>	
At 25 March 2017	122,591

### 18. Stocks

	<b>Group</b>		<b>Company</b>	
	<b>25 March</b>	<b>26 March</b>	<b>25 March</b>	<b>26 March</b>
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>
Finished goods and goods for resale	54,014	51,650	-	-

There are no material differences between the replacement cost of stocks and the amounts stated above.

### 19. Debtors

		<b>Group</b>		<b>Company</b>	
		<b>25 March</b>	<b>26 March</b>	<b>25 March</b>	<b>26 March</b>
		<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>Note</b>	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>	<b>£ 000</b>
<b>Amounts falling due within one year:</b>					
Trade debtors		7,464	7,319	-	-
Amounts owed by related parties	29	5,781	4,931	-	-
Other debtors		3,300	4,692	-	2,456
Prepayments and accrued income		9,275	7,760	9	13
Derivative financial instruments	31	815	880	-	-
		26,635	25,582	9	2,469
<b>Amounts falling due after more than one year:</b>					
Deferred tax asset		1,196	1,815	-	-
		27,831	27,397	-	2,469



# Bectin Limited

## Notes to the financial statements (continued) For the period ended 25 March 2017

### 20. Creditors

		Group		Company	
		25 March 2017 £ 000	26 March 2016 £ 000	25 March 2017 £ 000	26 March 2016 £ 000
Note					
<b>Creditors: amounts falling due within one year</b>					
Bank borrowings	22	5,000	5,000	-	-
Trade creditors		27,785	29,672	-	-
Amounts owed to related parties	28	17,190	23,340	22,296	28,929
Social security and other taxes		3,587	2,927	7	8
Other creditors		3,580	2,719	-	-
Accruals and deferred income		33,442	37,100	81	67
Corporation tax		2,418	2,790	424	14
Derivative financial liabilities	29	904	675	-	-
Directors' loan account		21,512	21,406	21,512	21,406
		<u>115,418</u>	<u>125,629</u>	<u>44,320</u>	<u>50,424</u>

		Group		Company	
		25 March 2017 £ 000	26 March 2016 £ 000	25 March 2017 £ 000	26 March 2016 £ 000
Note					
<b>Creditors: amounts falling due after more than one year</b>					
Loans and borrowings	22	19,093	23,125	-	-
Derivative financial liabilities	29	190	288	-	-
		<u>19,283</u>	<u>23,413</u>	<u>-</u>	<u>-</u>

## Bectin Limited

### Notes to the financial statements (continued) For the period ended 25 March 2017

#### 21. Called-up share capital and reserves

##### Allotted, called-up and fully paid shares

	25 March 2017		26 March 2016	
	No.	£	No.	£
Ordinary shares of £0.01 each	10,420	104	10,400	104

On 20 September 2016 the company issued 20 shares of £0.01 equally to the directors of the company pursuant to a share-for-share exchange for Tythrop Property Limited formerly owned by the directors. The shares were issued at a valuation of £513,000. The assets of Tythrop Property Limited comprise residential care homes being developed for onward sale and the assets acquired are included within other financial assets (note 23).

The group and company's other reserves are as follows:

##### Share premium

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

##### Profit and loss

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

##### Merger relief reserve

The merger relief reserve contains the premium arising on issue of equity shares, net of issue expenses.

##### Hedging reserve

The hedging reserve represents the cumulative portion of gains and losses on hedging instruments deemed effective in hedging variable interest rate risk of recognised financial instruments or foreign exchange risk in firm commitments or highly probable forecast transactions. Amounts accumulated in this reserve are reclassified to profit and loss account in the periods in which the hedged item affects profit or loss or when the hedging relationship ends.

# Bectin Limited

## Notes to the financial statements (continued) For the period ended 25 March 2017

### 22. Loans and borrowings

Borrowings are repayable as follows:

	Group		Company	
	25 March 2017 £ 000	26 March 2016 £ 000	25 March 2017 £ 000	26 March 2016 £ 000
<b>Total borrowings</b>				
Between one and two years	5,000	7,500	-	-
Between two and five years	14,189	15,625	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	19,189	23,125	-	-
Capitalised loan costs	(96)	(111)	-	-
On demand or within one year	5,000	5,000	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	24,093	28,014	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

Interest is payable on the bank loans at a variable rate of LIBOR plus a margin.

### 23. Other financial assets

	Group		Company	
	25 March 2017 £ 000	26 March 2016 £ 000	25 March 2017 £ 000	26 March 2016 £ 000
<b>Non-current financial assets</b>				
Quoted investments at valuation	43,054	33,014	43,054	33,014
	<hr/>	<hr/>	<hr/>	<hr/>

### 24. Obligations under leases and hire purchase contracts

#### Group

#### Operating leases - land and buildings

The total of future minimum lease payments is as follows:

	25 March 2017 £ 000	26 March 2016 £ 000
Not later than one year	22,385	17,383
Later than one year and not later than five years	68,893	54,825
Later than five years	41,048	26,850
	<hr/>	<hr/>
	132,326	99,058
	<hr/>	<hr/>

The amount of non-cancellable operating lease payments recognised as an expense during the period was £22,198,000 (2016: £17,708,000). No operating leases are held by the company.

# Bectin Limited

## Notes to the financial statements (continued) For the period ended 25 March 2017

### 25. Provisions

#### Group

	Termination of business systems project £000	Dilapidation of leasehold property £ 000	Deferred tax £ 000	Total £ 000
At 26 March 2016	-	-	16,292	16,292
Provision for remedial works in respect of operating leases	-	464	-	464
Provision for expenses of terminating business system project	617	-	-	617
Hedge reserve	-	-	(193)	(193)
Effect of changes in tax rates	-	-	(1)	(1)
Adjustments in respect of prior periods	-	-	35	35
Other origination and timing differences	-	-	(858)	(858)
At 25 March 2017	<u>617</u>	<u>464</u>	<u>15,275</u>	<u>16,356</u>

The expenditure in respect of the provisions for the termination of business systems project and for the dilapidation of leasehold property is expected to be one year and seven years respectively.

# Bectin Limited

## Notes to the financial statements (continued) For the period ended 25 March 2017

	25 March 2017 £ 000	26 March 2016 £ 000
<b>Deferred tax – group</b>		
Fixed assets	(120)	79
Business combinations	14,502	16,192
Hedging	(193)	(268)
Origination and reversal of timing differences	1,086	289
<b>Provision for deferred tax</b>	<u>15,275</u>	<u>16,292</u>

	25 March 2017 £ 000	26 March 2016 £ 000
<b>Deferred tax – group</b>		
Included in debtors (note 19)	1,196	1,815
Included in provisions	(15,275)	(16,292)
<b>Provision for deferred tax</b>	<u>14,079</u>	<u>14,477</u>

Deferred tax has been calculated at the tax rates expected to apply in periods in which timing differences reverse, based on tax rates and laws enacted at the balance sheet date.

<b>Deferred tax - company</b>	<b>Total £ 000</b>
At 26 March 2016	289
Effect of changes in tax rates	(15)
Other origination and timing differences	812
At 25 March 2017	<u>1,086</u>
	<b>26 March 2016 £ 000</b>
Origination and reversal of timing differences	1,086
<b>Provision for deferred tax</b>	<u>1,086</u>

Deferred tax has been calculated at the tax rates expected to apply in periods in which timing differences reverse, based on tax rates and laws enacted at the balance sheet date

The amount of deferred tax expected to reverse in relation to the business combination in the next 12 months totals £800,000.

## **Bectin Limited**

### **Notes to the financial statements (continued) For the period ended 25 March 2017**

#### **26. Pension commitments**

The group operates a defined contribution pension scheme. Contributions during the period ended 25 March 2017 totalled £1,131,393 (2016: £821,000). The unpaid contributions outstanding at the period end were £91,751 (2016: £111,000). Commitments provided for in the accounts amounted to £nil (2016: £nil).

#### **27. Financial guarantee contracts**

The group had provided a cross guarantee in respect of borrowings of B C Rucker, who is a director of the group. The cross guarantee was by nature of a charge over all of the group's assets. At the period-end the amount outstanding on these borrowings of the ultimate controlling party was £nil (2016: £5.0m).

The group has a duty deferment guarantee in favour of HM Revenue & Customs of £1,200,000 (2016: £600,000).

The group has a letter of credit in favour of The White Company Inc. of \$1,350,000 (2016: £nil).

#### **28. Related-party transactions**

During the previous accounting period, on 2 August 2015, the trade and certain assets of Charles Tyrwhitt LLP were transferred to Charles Tyrwhitt Shirts Limited. This has given rise to a balance, on which no interest is due, owed by Charles Tyrwhitt Shirts Limited to Charles Tyrwhitt LLP at the balance sheet date of £16,340,000 (2016: £18,751,000). During the year, payments made up of members' interests and capital was paid to members and former members of Charles Tyrwhitt LLP totalling £2,411,000.

During the year Charles Tyrwhitt Shirts Limited sold goods and services to Charles Tyrwhitt Sarl, a company incorporated in France, of which N C T Wheeler is the controlling shareholder and P J Higgins is a shareholder. The total value of transactions between the two entities during the year was £432,000 (2016: £469,000). Charles Tyrwhitt Shirts Limited also recharged Charles Tyrwhitt Sarl for certain services during the year, the recharge amount was £140,000 (2016: £137,000). At the balance sheet date, a net amount of £666,000 was owed to Charles Tyrwhitt Sarl (2016: £560,000).

During the period, Charles Tyrwhitt Shirts Limited sold goods and services to Charles Tyrwhitt Inc., a company incorporated in the State of Delaware, United States of America, of which N C T Wheeler is the controlling shareholder and P J Higgins is a shareholder. The total value of transactions between the two entities during the year was £98,000 (2016: £60,000). Charles Tyrwhitt Shirts Limited also recharged Charles Tyrwhitt Inc. for certain services during the year, the recharge amount was £1,563,000 (2016: £2,139,000). Charles Tyrwhitt Inc. also recharged Charles Tyrwhitt Shirts Limited for certain services during the year, the recharge amount was £2,790,000 (2016: £nil). At the balance sheet date, a net amount of £4,313,000 was owed to Charles Tyrwhitt Shirts Limited (2016: £4,084,000).

During the previous accounting period, on 31 October 2015, an allotment of 1,522,515 shares was made from Charles Tyrwhitt Shirts Limited to P&H Higgins Limited. This resulted in an amount owed from P&H Higgins Limited to Charles Tyrwhitt Shirts Limited, the balance of which was £1,273,000 at the balance sheet date, after loan repayments during the year totalling £249,515 (2016: £nil) were paid to P&H Higgins Limited from Charles Tyrwhitt Shirts Limited. During the year, management fees totalling £50,000 (2016: £50,000) were paid to P&H Higgins Limited from Charles Tyrwhitt Shirts Limited.

## **Bectin Limited**

### **Notes to the financial statements (continued) For the period ended 25 March 2017**

#### **28. Related-party transactions (continued)**

Bectin Limited controls Charles Tyrwhitt Shirts Limited as a result of owning 95% of the issued share capital at the year-end date. During the previous accounting period, on 31 October 2015, an allotment of 28,928,785 shares was made from Charles Tyrwhitt Shirts Limited to Bectin Limited. This resulted in an amount owed from Bectin Limited to Charles Tyrwhitt Shirts Limited, the balance of which was £22,296,000 (2016: £28,929,000) at the balance sheet date, after loan repayments during the year totalling £6,633,000 (2016: £nil) were paid to Bectin Limited from Charles Tyrwhitt Shirts Limited. During the year, management fees totalling £136,000 (2016: £136,000) were paid to Bectin Limited from Charles Tyrwhitt Shirts Limited.

Included in other debtors is an amount owed to the group by B C Rucker, a director of the company, of £1,000,000 (2016: £630,000).

During the period, the group was provided with new loans from the directors in total amount of £2,000,000 and the company also received the transfer of other financial assets valued at £5,562,000 from the directors. An amount of £5,000,000 was repaid to the directors in the year. The amounts owed by the company to its directors amounted to £21,512,000 at 25 March 2017 (2016: payable of 21,406,000 and a receivable of £2,456,000, these two amounts were offset).

On 20 September 2016 the company issued 20 shares of £0.01 equally to the directors of the company pursuant to a share-for-share exchange for Tythrop Properties Limited, formerly owned by the directors. The shares were issued at a valuation of £513,000. The assets of Tythrop Properties Limited comprise an investment in residential care homes being developed for onward sale and the assets acquired are included within other financial assets (note 23).

In the period, a loan of £1,500,000 was advanced to and repaid by James Wheeler, brother of N C T Wheeler. Interest of £15,000 was charged by the company and paid by the borrower.

# Bectin Limited

## Notes to the financial statements (continued) For the period ended 25 March 2017

### 29. Financial instruments

#### Group

The carrying values of the group's financial assets and liabilities are summarised by category below:

	25 March 2017 £ 000	20 June 2015 to 26 March 2016 £ 000
<b>Financial assets</b>		
<i>Measured at fair value through profit or loss:</i>		
• Investments in listed equity instruments (see note 23)	43,054	33,014
<i>Measured at fair value and designated in an effective hedging relationship:</i>		
• Derivative financial assets (see note 19)	815	880
<i>Measured at undiscounted amount receivable:</i>		
• Trade and other debtors (see note 19)	18,291	16,942
	<u>62,160</u>	<u>50,836</u>
<b>Financial liabilities</b>		
<i>Measured at fair value and designated in an effective hedging relationship:</i>		
• Derivative financial liabilities (see note 20)	1,094	963
<i>Measured at undiscounted amount payable</i>		
• Trade and other creditors (see note 20)	100,741	110,979
	<u>101,835</u>	<u>111,942</u>

#### Financial risk management

The group financial risk management objectives and policies have been discussed in the directors' report on pages 4 and 5.



# Bectin Limited

## Notes to the financial statements (continued) For the period ended 25 March 2017

### 30. Derivative financial instruments

#### Forward foreign currency contracts

The following table details the forward foreign currency contracts outstanding as at the year-end:

#### Due within one year

	Group Principal		Group Fair value	
	2017	2016	2017	2016
	£ 000	£ 000	£ 000	£ 000
Forward foreign exchange contracts	52,951	29,947	(89)	206

#### Due after one year

	Principal		Fair value	
	2017	2016	2017	2016
	£ 000	£ 000	£ 000	£ 000
Forward foreign exchange contracts	10,193	5,141	(190)	(288)

Forward foreign currency contracts are valued using forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts. The valuations of forward foreign currency contracts are obtained externally from the bank contracted with.

### 31. Consolidated cash flow statement

Reconciliation of operating profit to cash generated by operations:

	Note	25 March 2017 £ 000	26 March 2016 £ 000
Operating profit		21,013	19,447
Adjustment to cash flow from non-cash items:			
Depreciation, amortisation and impairment	7	23,717	11,958
Unrealised foreign exchange loss		(111)	(745)
Working capital adjustments:			
Increase in inventories	18	(2,364)	(6,132)
Increase in debtors - due within one year	19	(1,046)	(5,192)
Decrease in trade and other payables	20	(9,642)	(18,046)
Increase in provisions	25	683	289
Other non-cash items		(14,094)	3,333
<b>Cash generated from operations</b>		<b>18,156</b>	<b>4,912</b>

## **Bectin Limited**

### **Notes to the financial statements (continued)** **For the period ended 25 March 2017**

#### **32. Parent and ultimate parent undertaking**

Each of the directors, B C Rucker and N C T Wheeler, hold 50 per cent of the issued share capital of the company and together have control of the company.

#### **33. Subsequent events**

A letter of guarantee of \$1,350,000 issued in favour of The White Company, Inc. was released on 17 May 2017.

## **Bectin Limited**

### **Notes to the financial statements (continued)** **For the period ended 25 March 2017**

#### **34. Registered addresses of subsidiary companies and entities:**

<b>Subsidiary</b>	<b>Registered address</b>
Charles Tyrwhitt Shirts Limited	First Floor Cottons Centre Cottons Lane London SE1 2QG United Kingdom
The White Company Holding Co Limited	1 Derry Street London W8 5HY United Kingdom
The White Company (U.K.) Limited	1 Derry Street London W8 5HY United Kingdom
TWC Delivery Company Limited	1 Derry Street London W8 5HY United Kingdom
The White Company, Inc	1209 Orange Street Wilmington New Castle County Delaware 19801 United States of America
The White Company (London) LLP (dissolved 5 September 2017)	1 Derry Street London W8 5HY United Kingdom