

Registered number: 09630291

BECTIN LIMITED

**Annual report and consolidated financial
statements**

For the period ended 31 March 2018



Bectin Limited

Contents

Company information	1
Strategic report	2
Directors' report	5
Directors' responsibilities statement	7
Independent auditor's report	8
Consolidated profit and loss account	11
Consolidated statement of comprehensive income	12
Consolidated balance sheet	13
Company balance sheet	14
Consolidated statement of changes in equity	15
Company statement of changes in equity	16
Consolidated statement of cash flows	17
Notes to the financial statements	18

Bectin Limited

Company information

Directors

B C Wheeler
N C T Wheeler

Registered office

Tythrop Park
Kingsey
Aylesbury
Buckinghamshire
HP17 8LT

Auditor

Deloitte LLP
Statutory Auditor
London
United Kingdom

Bectin Limited

Strategic report

For the period ended 31 March 2018

The directors present their strategic report for the 53-week period (2017: 52-week period) ending 31 March 2018.

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 Holding Co Limited and Charles Tyrwhitt Shirts Limited and other financial assets. The company also provides management services to its subsidiary undertakings. Bectin also holds a significant portfolio of investments, primarily quoted.

The principal activity of The White Company Holding Co Limited is the sale, through its subsidiary undertakings, 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; through mail order, retail and the internet. 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 Holding Co Limited

2018 was a profitable year for The White Company Holding Co Limited ("TWCH"), however underlying Operating Profit decreased to £11.8m, down from £17.6m in 2017. The decrease in underlying profit is due to the following:

In 2018 TWCH opened its first stores outside of the UK – two stores in the United States and one in the Republic of Ireland, which are operated through separate legal entities (The White Company, Inc. and TWC Retail (Ireland) Ltd respectively). The operations of both entities resulted in a £4.6m loss (2017: a loss of £0.3m), due to a significant upfront investment required to support the future growth of these companies and new stores.

The fair value adjustment of foreign exchange contracts under FRS 102 in the year resulted in a £1.7m negative adjustment compared with only £0.1m in 2017. This was caused by the impact of the dollar exchange rate at the balance sheet date compared to the hedged rate of future USD foreign exchange contracts.

TWCH has proactively reduced the amount of discounting available whilst continuing to operate in a highly competitive retail environment. However, despite this change in trading stance, turnover for the year increased to £206.5m (2017: £198.4m) with all trading channels showing growth on the year. During the year TWCH opened three international stores and re-sited three UK stores, two of which encompassed bringing new standalone 'Little White Company' stores into our main store location in each particular location.

At the end of the year, TWCH was trading from 55 (2017: 57) stores in the UK, including eight concessions, and 3 (2017: nil) stores in the US and the Republic of Ireland.

Charles Tyrwhitt Shirts Limited (CTSL)

Bectin Limited

Strategic report

For the period ended 31 March 2018

Turnover for the year increased to £204.6m (2017: £194.4m). During the year, four stores were opened so that by the end of the year 26 stores (2017: 22) were trading. The cash position of CTSL remains strong enabling another period of significant investment for future growth. The company has net assets of £129.9m (2017: £125.9m).

In 2018 the company amortised intangible assets by £8.1m (2017: £7.9 m). These have risen primarily from the fair-value adjustments in respect of the acquisition of CTSL by Bectin Limited in 2015.

In 2017, following cessation of the development of a major software project CTSL incurred exceptional charges of £6.5m in respect of the impairment of intangible assets, £1.9m in the respect of tangible assets, £7.9m in respect of the amortisation of intangible assets, £0.5m in respect of leasehold property dilapidation provisions, and termination and other legal costs of £0.9m.

The Group

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

The investment portfolio held by Bectin Limited is managed by third parties. The Board assesses the performance of these managers regularly throughout the year using income generated and capital growth as the key measures.

Selected KPIs have been presented below:

	2018	2017	
Turnover growth	5%	31%	Year-on-year sales growth expressed as a %
Gross profit margin	55%	54%	Gross profit expressed as a % of revenue

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 to attract 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 provided additional opportunities to continue its growth through this year.

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.

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
Strategic report
For the period ended 31 March 2018

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.

Further details of specific financial risks faced by the group can be found in the Directors' report on pages 5 and 6.


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 20/12/2018 and signed on its behalf by:


.....

NCT Wheeler
Director

Tythrop Park
Kingsey
Aylesbury
Buckinghamshire
HP17 8LT

Bectin Limited
Directors' report
For the period ended 31 March 2018

The directors present their annual report on the affairs of Bectin Limited ("the group"), together with the consolidated audited financial statements and auditor's report, for the 53-week period (2017: 52-week period) ending 31 March 2018.

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 to 4 and form part of this report by cross-reference. There have been no significant events affecting the group since the year-end.

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 £14.0m (2017: £14.9m).

No dividends were paid or proposed in the year.

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. The group and company's investments in quoted investments carry a significant market risk in respect of the valuation of these investments. The risk is managed by using specialist investment advisors.

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.

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.

Bectin Limited
Directors' report
For the period ended 31 March 2018

Directors

The directors who served throughout the year and at the date of signing of this report were as follows:

B C Wheeler
N C T Wheeler

Directors' indemnities

The group has made qualifying third-party indemnity provisions for the benefit of directors of the group and the company 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 20/2/2018 and signed on its behalf by:



N C T Wheeler
Director

Tythrop Park
Kingsey
Aylesbury
Buckinghamshire
HP17 8LT

Bectin Limited
Directors' responsibilities statement
For the period ended 31 March 2018

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

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Bectin Limited (the 'parent company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2018 and of the group's profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated profit and loss account;
- the consolidated statement of comprehensive income;
- the consolidated balance sheet;
- the parent company balance sheet;
- the consolidated statement of changes in equity;
- the parent company statement of changes in equity;
- the consolidated cash flow statement;
- the statement of accounting policies; and
- the related notes 1 and 3 to 34.

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Independent auditor's report to the members of Bectin Limited continued

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

- In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Strategic report and the Directors' report for the financial 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 group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Independent auditor's report to the members of Bectin Limited continued

Matters on which we are required to report by exception

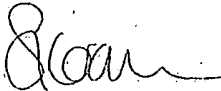
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

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



Sukhbinder Kooner (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London
United Kingdom

Date 20/12/2018

Bectin Limited
Consolidated profit and loss account
For the period ended 31 March 2018

	Note	Period ended 31 March 2018 £ 000	Period ended 25 March 2017 £ 000
Turnover	4	411,126	392,747
Cost of sales		(183,563)	(178,753)
Gross profit		227,563	213,994
Distribution costs		(60,699)	(66,543)
Administrative expenses before exceptional expenditure		(151,159)	(117,471)
<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)
Total administrative expenses:		(151,159)	(135,104)
Other gains and losses	5	2,950	7,906
Other operating income	6	553	760
Operating profit		19,208	21,013
Interest receivable and similar income	8	134	19
Interest payable and similar expenses	9	(868)	(566)
Profit on ordinary activities before taxation	7	18,474	20,466
Tax on profit on ordinary activities	13	(4,514)	(5,590)
Profit for the financial period		13,960	14,876
Profit attributable to:			
Owners of the company		13,804	15,138
Non-controlling interest		156	(262)
		13,960	14,876

The above results were derived from continuing operations.

The notes on pages 18 to 44 form an integral part of these financial statements.

Bectin Limited
Consolidated statement of comprehensive income
For the period ended 31 March 2018

	Period ended 31 March 2018 £ 000	Period ended 25 March 2017 £ 000
Profit for the year	13,960	14,876
Unrealised gain/(loss) on cash flow hedges	1,104	(144)
Deferred tax on cash flow hedge	(195)	27
Other comprehensive income/(loss)	909	(117)
Total comprehensive income for the year	14,869	14,759
Profit for the period attributable to:		
Non-controlling interest	156	(262)
Equity shareholders of the company	13,804	15,138
	13,960	14,876
Total comprehensive income for the period attributable to:		
Non-controlling interest	201	(268)
Equity shareholders of the company	14,668	15,027
	14,869	14,759

The notes on pages 18 to 44 form an integral part of these financial statements.

Bectin Limited
Consolidated balance sheet as at 31 March 2018

	Note	31 March 2018 £ 000	25 March 2017 £ 000
Fixed assets			
Intangible assets	15	135,582	139,957
Tangible assets	16	30,427	26,526
Other financial investments	23	51,796	43,054
		<u>217,805</u>	<u>209,537</u>
Current assets			
Stocks	18	59,011	54,014
Debtors	19	26,008	26,635
Debtors due after one year	19	912	1,196
Cash at bank and in hand		14,170	13,013
		<u>100,101</u>	<u>94,858</u>
Creditors: amounts falling due within one year	20	<u>(119,109)</u>	<u>(115,418)</u>
Net current liabilities		<u>(19,008)</u>	<u>(20,560)</u>
Total assets less current liabilities		<u>198,797</u>	<u>188,977</u>
Creditors: amounts falling due after more than one year	20	(14,704)	(19,283)
Provisions for liabilities	25	(15,886)	(16,356)
Net assets		<u>168,207</u>	<u>153,338</u>
Capital and reserves			
Called-up share capital	21	-	-
Share premium reserve	21	639	639
Merger relief reserve	21	93,537	93,537
Profit and loss account	21	67,620	53,816
Cash flow hedge reserve	21	8	(856)
Equity attributable to owners of the company		<u>161,804</u>	<u>147,136</u>
Non-controlling interest		<u>6,403</u>	<u>6,202</u>
Shareholders' funds		<u>168,207</u>	<u>153,338</u>

The financial statements of Bectin Limited (registration number: 09630291) were approved by the Board of directors and authorised for issue on 2012/2018. They were signed on its behalf by:

N. Wheeler
N C T Wheeler
Director

The notes on pages 18 to 44 form an integral part of these financial statements.

Bectin Limited
Company balance sheet as at 31 March 2018

		31 March 2018 £ 000	25 March 2017 £ 000
	Note		
Fixed assets			
Investments	17	122,591	122,591
Other financial investments	23	51,796	43,054
		<u>174,387</u>	<u>165,645</u>
Current assets			
Debtors: amounts falling due within one year	19	188	9
Cash at bank and in hand		38	98
		<u>226</u>	<u>107</u>
Total assets		<u>174,613</u>	<u>165,752</u>
Creditors: amounts falling due within one year	20	<u>(49,161)</u>	<u>(44,320)</u>
Net current liabilities		<u>(48,935)</u>	<u>(44,213)</u>
Total assets less current liabilities		<u>125,452</u>	<u>121,432</u>
Provisions for liabilities	25	(1,851)	(1,086)
Net assets		<u>123,601</u>	<u>120,346</u>
Capital and reserves			
Called-up share capital	21	-	-
Share premium reserve	21	639	639
Merger relief reserve	21	93,537	93,537
Profit and loss account	21	29,425	26,170
Shareholders' funds		<u>123,601</u>	<u>120,346</u>

The parent company's profit for the period was £3,255,000 (2017: a profit of £12,369,000).

The financial statements of Bectin Limited (registration number: 09630291) were approved by the Board of directors and authorised for issue on 20/12/2018

They were signed on its behalf by: 

NCT Wheeler

Director

The notes on pages 18 to 44 form an integral part of these financial statements.

Bectin Limited
Consolidated statement of changes in equity
For the period ended 31 March 2018

	Called-up share capital £ 000	Share premium reserve £ 000	Merger relief reserve £ 000	Cash flow hedge reserve £ 000	Profit and loss account £ 000	Non- controlling interests £ 000	Total £ 000
At 26 March 2016	-	126	93,537	(745)	38,678	6,470	138,066
Profit/(loss) for the period	-	-	-	-	15,138	(262)	14,876
Other comprehensive loss	-	-	-	(111)	-	(6)	(117)
Total comprehensive income	-	-	-	(111)	15,138	(268)	14,759
Premium on equity share issue	-	513	-	-	-	-	513
At 25 March 2017	-	639	93,537	(856)	53,816	6,202	153,338
Profit for the period	-	-	-	-	13,804	156	13,960
Other comprehensive income	-	-	-	864	-	45	909
Total comprehensive income	-	-	-	864	13,804	201	14,869
At 31 March 2018	-	639	93,537	8	67,620	6,403	168,207

The notes on pages 18 to 44 form an integral part of these financial statements.

Bectin Limited
Company statement of changes in equity
For the period ended 31 March 2018

	Called-up share capital £ 000	Share premium reserve £ 000	Merger relief reserve £ 000	Profit and loss account £ 000	Total £ 000
At 26 March 2016	-	126	93,537	13,801	107,464
Profit for the period	-	-	-	12,369	12,369
Total comprehensive income	-	-	-	12,369	12,369
Premium on equity share issue	-	513	-	-	513
At 25 March 2017	-	639	93,537	26,170	120,346
Profit for the period	-	-	-	3,255	3,255
Total comprehensive income	-	-	-	3,255	3,255
At 31 March 2018	-	639	93,537	29,425	123,601

The notes on pages 18 to 44 form an integral part of these financial statements.

Bectin Limited
Consolidated statement of cash flows
For the period ended 31 March 2018

	Note	Period ended 31 March 2018 £ 000	Period ended 25 March 2017 £ 000
Cash flows from operating activities	31	42,188	18,156
Taxation paid			
Corporation tax		(6,905)	(5,685)
Cash flows from investing activities			
Interest received		134	19
Purchase of tangible and intangible fixed assets		(19,436)	(18,920)
Sale of tangible fixed assets		358	112
Purchase of other financial assets		(6,823)	(7,158)
Disposal of other financial assets		849	11,483
Net cash flows from investing activities		(24,918)	(14,464)
Cash flows from financing activities			
Interest paid		(465)	(566)
Bank loans repaid		(7,218)	(4,375)
Lease finance raised		316	-
Lease finance repaid		(18)	-
Loans received from directors		27	-
Loans repaid to directors		(1,850)	-
Net cash flows from financing activities		(9,208)	(4,941)
Net increase/(decrease) in cash and cash equivalents		1,157	(6,934)
Cash and cash equivalents at beginning of period		13,013	19,947
Cash and cash equivalents at end of period		14,170	13,013
Reconciliation to cash at bank and in hand			
Cash at bank and in hand		14,170	13,013

The group has no significant non-cash transactions (2017: none).

The notes on pages 18 to 44 form an integral part of these financial statements.

Bectin Limited
Notes to the financial statements (continued)
For the period ended 31 March 2018

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:

Tythrop Park
Kingsey
Aylesbury
Buckinghamshire
HP17 8LT

The nature of the group's operations and its principal activities are set out in the Strategic report on pages 2 to 4.

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 issued by the Financial Reporting Council.

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. The consolidated financial statements are also presented in pounds sterling. Foreign operations are included in accordance with the policies set out below.

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.

Basis of preparation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings for the financial year ended 31 March 2018.

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.

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.

Bectin Limited
Notes to the financial statements (continued)
For the period ended 31 March 2018

2. Accounting policies (continued)

Basis of preparation continued

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 £19.0 million including loans due to directors of £20.0 million and has financial investments of £51.8 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 notes, 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

Goodwill arising on acquisition
Trademarks and patents
Customer relationships
Computer software

Amortisation method and rate

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

Useful Economic Life

Goodwill is amortised over its useful life, which shall not exceed five years if a reliable estimate of the useful life cannot be made. The useful economic life of intangibles recognised on the acquisition of the brand and related assets of Charles Tyrwhitt LLP has been estimated to be 20 years; Charles Tyrwhitt is a well-established brand and the nature of the business and the products being sold help to justify this life.

Bectin Limited
Notes to the financial statements (continued)
For the period ended 31 March 2018

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	Depreciation method and rate
Leasehold and property improvements	The higher of 4 years and next lease break
Fixtures and fittings	4-6 years
Plant and machinery	4 years
Office equipment	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 and hedging

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.

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 re-measured to their fair value by reference to the market rate of forwards at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit and loss account depends on the nature of the hedge relationship.

The group designates certain derivatives as hedging instruments in cash flow hedges. At the inception of the hedge relationship, the entity documents the economic relationship between the hedging instrument and the hedged item, along with its risk management objectives and clear identification of the risk in the hedged item that is being hedged by the hedging instrument. Furthermore, at the inception of the hedge the company determines and documents causes for hedge ineffectiveness.

Stocks

Stocks are stated at the lower of cost and net realisable value. Valuation is determined on a first-in first-out basis less any identified impairment.

Bectin Limited
Notes to the financial statements (continued)
For the period ended 31 March 2018

2. Accounting policies (continued)

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.

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.

Foreign exchange contracts entered into in respect of future periods are classified as financial instruments. Gains or losses resulting from changes in the fair-value of these contracts are taken to a 'cash-flow hedging reserve' until such time that the relevant contract or contracts mature.

Leases

Leases where the Group assumes substantially all risks and awards incidental to ownership of the leased assets are classified as finance leases and accounted for as interest-bearing borrowings. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit and loss on a straight-line basis over the period 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.

Bectin Limited
Notes to the financial statements (continued)
For the period ended 31 March 2018

2. Accounting policies (continued)

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.

Interest income

Interest income is recognised as the group becomes entitled to the interest.

Other operating income

Other operating income is recognised as the group becomes entitled to the income.

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.

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.

Long-term incentive plan

The Group operated a long-term incentive plan in a subsidiary of the group relating to overall performance of the subsidiary. A liability is recognised as the cost of the benefit when the company has a present legal or constructive obligation to make such payment as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Bectin Limited
Notes to the financial statements (continued)
For the period ended 31 March 2018

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, which are described in this note, 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.

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.

Provision for sales returns

The accounting estimate related to the return of stocks sold on-line is also susceptible to changes from period to period. The value of expected returns is estimated using recent past experience. Any variation from this estimate would result in either an increase or a reduction to the carrying value of stocks and an increase or decrease to gross margins.

Bectin Limited
Notes to the financial statements (continued)
For the period ended 31 March 2018

4. Turnover

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

	Period ended 31 March 2018 £ 000	Period ended 25 March 2017 £ 000
Sale of goods	411,126	392,747

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

	Period ended 31 March 2018 £ 000	Period ended 25 March 2017 £ 000
Turnover:		
United Kingdom	283,243	267,783
Rest of the world	127,883	124,964
	411,126	392,747

5. Other gains and losses

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

	Period ended 31 March 2018 £ 000	Period ended 25 March 2017 £ 000
Gains from revaluation of quoted investments	2,547	5,716
Gains from disposals of unquoted investments	403	2,190
	2,950	7,906

Quoted investments are measured at fair-value. Unquoted investments are valued by estimate using all available financial information related to the investment. See also note 23.

Bectin Limited
Notes to the financial statements (continued)
For the period ended 31 March 2018

6. Other operating income

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

	Period ended 31 March 2018 £ 000	Period ended 25 March 2017 £ 000
Investment income	408	613
Rental income	22	50
Other income	123	97
	<u>553</u>	<u>760</u>

7. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	Period ended 31 March 2018 £ 000	Period ended 25 March 2017 £ 000
Depreciation expense (note 16)	7,152	6,574
Impairment of tangible assets (note 16)	724	-
Amortisation of intangible assets (note 15)	11,683	10,641
Impairment of intangible assets (note 15)	31	6,502
Operating lease expense	25,107	22,198
Loss on disposal of tangible fixed assets	359	-
Foreign exchange losses	1,798	312
Costs of stocks recognised as expense	163,642	162,498
Write downs of stocks recognised as an expense	2,718	2,200
	<u></u>	<u></u>

8. Interest receivable and similar income

	Period ended 31 March 2018 £ 000	Period ended 25 March 2017 £ 000
Interest income on financial assets	134	19
	<u></u>	<u></u>

Interest income does not include any fair-value gains or losses.

Bectin Limited
Notes to the financial statements (continued)
For the period ended 31 March 2018

9. Interest payable and similar expenses

	Period ended 31 March 2018 £ 000	Period ended 25 March 2017 £ 000
Bank loans and overdrafts	471	566
Directors' loans	357	-
Amortised expenses of borrowing	40	-
	<u>868</u>	<u>566</u>

Interest payable does not include any fair-value gains or losses.

10. Staff costs

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

	Period ended 31 March 2018 Number	Period ended 25 March 2017 Number
Sales	1,994	1,899
Administration	502	439
Distribution	124	104
	<u>2,620</u>	<u>2,442</u>

The parent company had no employees other than the directors and all of the staff costs shown above are in respect of subsidiaries of the company.

The aggregate remuneration of all employees comprised:

	Period ended 31 March 2018 £ 000	Period ended 25 March 2017 £ 000
Wages and salaries	54,574	51,017
Social security costs	5,005	4,738
Other pension costs (see note 26)	1,197	1,071
Other employee benefits	66	-
	<u>60,842</u>	<u>56,826</u>

Bectin Limited
Notes to the financial statements (continued)
For the period ended 31 March 2018

11. Directors' remuneration

The directors' remuneration for the period was as follows:

	Period ended 31 March 2018 £ 000	Period ended 25 March 2017 £ 000
Emoluments	-	-

The directors of the company received no remuneration and received no other benefits in the year (2017: nil).

In respect of the highest-paid director:

	Period ended 31 March 2018 £ 000	Period ended 25 March 2017 £ 000
Emoluments (including amounts receivable under long-term incentive schemes)	-	-

12. Auditor's remuneration

	Period ended 31 March 2018 £ 000	Period ended 25 March 2017 £ 000
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	20	20
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	84
Total audit fees	104	104
Audit-related assurance services	6	3
Taxation compliance services	10	10
Other taxation advisory services	170	89
IT consultancy services	-	130
Other services	6	6
Total non-audit fees	192	238

Bectin Limited
Notes to the financial statements (continued)
For the period ended 31 March 2018

13. Tax on profit on ordinary activities

The tax charge comprises:

	Period ended 31 March 2018 £ 000	Period ended 25 March 2017 £ 000
Current taxation		
UK corporation tax	4,821	5,983
UK corporation tax adjustment to prior periods	(373)	(43)
Overseas tax paid	35	33
	<u>4,483</u>	<u>5,973</u>
Deferred tax		
Arising from origination and reversal of timing differences	24	(418)
Arising from changes in tax rates and laws	7	35
	<u>31</u>	<u>(383)</u>
Total deferred taxation		
	<u>31</u>	<u>(383)</u>
Total tax on profit on ordinary activities	<u>4,514</u>	<u>5,590</u>

The tax on profit before tax for the period is higher than the standard rate of corporation tax in the UK (2017: higher than the standard rate of corporation tax in the UK) of 19% (2017: 20%).

The differences are reconciled below:

	Period ended 31 March 2018 £ 000	Period ended 25 March 2017 £ 000
Profit on ordinary activities before tax	<u>18,474</u>	<u>20,466</u>
Tax on profit of ordinary activities at standard UK corporation tax rate of 19% (2017: 20%)	<u>3,510</u>	<u>4,093</u>
Effects of:		
Expense not deductible for tax purposes	443	863
Adjustment to tax charge in respect of previous periods	(30)	35
Losses brought forward utilised	(7)	(41)
Income not taxable	(49)	(416)
Other timing differences	647	1,056
	<u>1,004</u>	<u>1,497</u>
Tax charge for the year	<u>4,514</u>	<u>5,590</u>

Bectin Limited
Notes to the financial statements (continued)
For the period ended 31 March 2018

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 substantively 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 £3,255,000 (2017: £12,369,000). 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 31 March 2018

15. Intangible assets

Group

	Goodwill £ 000	Trademarks, patents and licenses £ 000	Customer relationships £ 000	Assets in the course of construction £ 000	Web & software £ 000	Total £ 000
Cost or valuation						
At 26 March 2017	52,014	83,412	3,177	4,883	27,925	171,411
Additions	-	-	-	198	7,124	7,322
Disposals	-	-	-	(4,883)	(2,256)	(7,139)
Exchange adjustments	-	-	-	-	9	9
Transfers	-	-	-	(118)	118	-
At 31 March 2018	52,014	83,412	3,177	80	32,920	171,603
Amortisation and impairment						
At 26 March 2017	4,488	6,988	265	4,883	14,830	31,454
Amortisation charge	2,692	4,169	159	-	4,663	11,683
Impairment charge	-	-	-	-	31	31
Exchange adjustments	-	-	-	-	(10)	(10)
Disposals	-	-	-	(4,883)	(2,254)	(7,137)
At 31 March 2018	7,180	11,157	424	-	17,260	36,021
Net book value						
At 31 March 2018	44,834	72,255	2,753	80	15,660	135,582
At 25 March 2017	47,526	76,424	2,912	-	13,095	139,957

Bectin Limited
Notes to the financial statements (continued)
For the period ended 31 March 2018

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
Cost or valuation							
At 26 March 2017	24,734	27,429	8,239	55	355	61	60,873
Additions	7,992	1,919	1,160	-	35	1,008	12,114
Disposals	(1,599)	(2,221)	(62)	-	(12)	-	(3,894)
Exchange adjustments	3	-	-	-	-	-	3
Transfers	72	677	14	-	-	(763)	-
At 31 March 2018	31,202	27,804	9,351	55	378	306	69,096
Depreciation							
At 26 March 2017	11,938	16,531	5,486	46	346	-	34,347
Charge for the period	3,178	3,165	796	3	10	-	7,152
Disposals	(1,501)	(1,982)	(43)	-	(10)	-	(3,536)
Impairment charge	395	318	11	-	-	-	724
Exchange adjustments	(18)	-	-	-	-	-	(18)
At 31 March 2018	13,992	18,032	6,250	49	346	-	38,669
Net book value							
At 31 March 2018	17,210	9,772	3,101	6	32	306	30,427
At 25 March 2017	12,796	10,898	2,753	9	9	61	26,526

Bectin Limited
Notes to the financial statements (continued)
For the period ended 31 March 2018

17. Fixed asset investments

Company

Subsidiaries	£ 000
Cost or valuation	
At 31 March 2018 and 25 March 2017	122,591
Net book value	
At 31 March 2018 and 25 March 2017	122,591

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
Subsidiary undertakings				
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%
TWC Retail (Ireland) Limited*	Ireland	Sale of household accessories	Ordinary	100%

* Held directly by The White Company Holding Co Limited.

+ Held directly by The White Company (U.K.) Limited.

On 17 May 2017 Bectin Limited transferred all of its holding of shares in The White Company 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 31 March 2018

18. Stocks

	Group		Company	
	31 March 2018 £ 000	25 March 2017 £ 000	31 March 2018 £ 000	25 March 2017 £ 000
Finished goods and goods for resale	59,011	54,014	-	-

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

19. Debtors

		Group		Company	
		31 March 2018 £ 000	25 March 2017 £ 000	31 March 2018 £ 000	25 March 2017 £ 000
	Note				
Amounts falling due within one year:					
Trade debtors		8,835	7,464	-	-
Amounts owed by related parties	28	7,260	5,781	8	-
Other debtors		1,004	3,300	153	-
Prepayments and accrued income		7,360	9,275	27	9
Taxation recoverable		1,534	-	-	-
Derivative financial instruments	30	15	815	-	-
		<u>26,008</u>	<u>26,635</u>	<u>188</u>	<u>9</u>
Amounts falling due after more than one year:					
Deferred tax asset		<u>912</u>	<u>1,196</u>	<u>-</u>	<u>-</u>
		<u>26,774</u>	<u>27,831</u>	<u>-</u>	<u>-</u>

Bectin Limited
Notes to the financial statements (continued)
For the period ended 31 March 2018

20. Creditors

		Group		Company	
		31 March	25 March	31 March	25 March
		2018	2017	2018	2017
Note		£ 000	£ 000	£ 000	£ 000
Creditors: amounts falling due within one year					
Bank borrowings	22	5,056	5,000	-	-
Trade creditors		27,663	27,785	-	-
Amounts owed to related parties	28	16,628	17,190	28,980	22,296
Social security and other taxes		2,860	3,587	4	7
Other creditors		4,286	3,580	-	-
Accruals and deferred income		39,443	33,442	86	81
Corporation tax		2,217	2,418	45	424
Derivative financial liabilities	30	910	904	-	-
Directors' loan account		20,046	21,512	20,046	21,512
		<u>119,109</u>	<u>115,418</u>	<u>49,161</u>	<u>44,320</u>

	Note	Group		Company	
		31 March	25 March	31 March	25 March
		2018	2017	2018	2017
		£ 000	£ 000	£ 000	£ 000
Creditors: amounts falling due after more than one year					
Loans and borrowings	22	13,367	19,093	-	-
Long-term employee incentive plan		1,337	-	-	-
Derivative financial liabilities	30	-	190	-	-
		<u>14,704</u>	<u>19,283</u>	<u>-</u>	<u>-</u>

A subsidiary of the group operates a long-term incentives plan for key management relating to overall performance of the subsidiary. A liability is recognised as the cost of the benefit when the company has a present legal or constructive obligation to make such payment as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Bectin Limited
Notes to the financial statements (continued)
For the period ended 31 March 2018

21. Called-up share capital and reserves

Allotted, called-up and fully-paid shares

	Group and Company		Group and Company	
	31 March 2018		25 March 2017	
	No.	£	No.	£
Ordinary shares of £0.01 each	10,420	104	10,420	104

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.

Cash flow hedge 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 31 March 2018

22. Loans and borrowings

Borrowings are repayable as follows:

	Group		Company	
	31 March	25 March	31 March	25 March
	2018	2017	2018	2017
	£ 000	£ 000	£ 000	£ 000
Total borrowings				
Between one and two years	3,367	5,000	-	-
Between two and five years	9,981	14,189	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	13,348	19,189	-	-
Capitalised loan costs				
On demand or within one year	(81)	(96)	-	-
	5,156	5,000	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	18,423	24,093	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

Interest is payable on the bank loans at a variable rate of LIBOR plus a margin. The original arrangement fees directly associated with the loan were £157,000. These have been capitalised and amortised over a ten-year term period. The unamortised portion of the arrangement fees at the year-end were £81,000 (2017: £96,000) and have been offset against the gross value of the term loan.

23. Other financial investments

	Group		Company	
	31 March	25 March	31 March	25 March
	2018	2017	2018	2017
	£ 000	£ 000	£ 000	£ 000
Non-current financial investments				
Quoted investments at valuation	51,796	43,054	51,796	43,054
Other investments	2,937	2,913	2,937	2,913
	<hr/>	<hr/>	<hr/>	<hr/>
Quoted investments at valuation	51,796	43,054	51,796	43,054
	<hr/>	<hr/>	<hr/>	<hr/>

The group and company's investments in quoted investments carry a significant active market price risk in respect of their value. Investments shown above amounting to £2,937,000 (2017: £2,913,000) are held in non-quoted entities and are carried at cost which is the directors' best estimate of value using available financial information.

Bectin Limited
Notes to the financial statements (continued)
For the period ended 31 March 2018

24. Obligations under leases and hire purchase contracts

Group

Operating leases - land and buildings

The total of future minimum lease payments is as follows:

	31 March 2018 £ 000	25 March 2017 £ 000
Not later than one year	24,329	22,385
Later than one year and not later than five years	72,822	68,893
Later than five years	35,650	41,048
	132,801	132,326

The amount of non-cancellable operating lease payments recognised as an expense during the period was £25,107,000 (2017: £22,198,000). No operating leases are held by the company. The group and company have not entered into any other 'off-balance sheet arrangements' in respect of their properties.

25. Provisions for other liabilities

Group

	Termination of business systems project £000	Dilapidation of leasehold property £ 000	Onerous property leases £ 000	Deferred tax £ 000	Total £ 000
At 26 March 2017	617	464	-	15,275	16,356
Provision in respect of onerous property leases	-	-	225	-	225
Amounts utilised	(617)	-	-	-	(617)
Hedge reserve	-	-	-	195	195
Effect of changes in tax rates	-	-	-	-	-
Adjustments in respect of prior periods	-	-	-	(344)	(344)
Other origination and timing differences	-	-	-	71	71
At 31 March 2018	-	464	225	15,197	15,886

Dilapidation of leasehold property

This provision is in respect of reinstatement obligations and will be utilised within 6 years.

Onerous property leases

This provision is in respect of losses on onerous property leases and will be utilised within 8 years.

Bectin Limited
Notes to the financial statements (continued)
For the period ended 31 March 2018

25. Provisions for other liabilities continued

	31 March 2018 £ 000	25 March 2017 £ 000
Deferred tax – group		
Fixed assets	(563)	(120)
Business combinations	14,502	14,502
Hedging	195	(193)
Origination and reversal of timing differences	1,063	1,086
Provision for deferred tax	15,197	15,275

	31 March 2018 £ 000	25 March 2017 £ 000
Deferred tax – group		
Included in debtors (note 19)	912	1,196
Included in provisions	(15,197)	(15,275)
Net deferred tax	(14,285)	(14,079)

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.

Deferred tax – company	Total £ 000
At 26 March 2017	1,086
Effect of changes in tax rates	(11)
Other origination and timing differences	776
At 31 March 2018	1,851

	31 March 2018 £ 000
Origination and reversal of timing differences	1,851
Provision for deferred tax	1,851

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 31 March 2018

26. Pension commitments

The group operates a defined contribution pension scheme. Contributions during the period ended 31 March 2018 totalled £1,197,000 (2017: £1,131,000). The unpaid contributions outstanding at the period end were £114,000 (2017: £92,000). Commitments provided for in the accounts amounted to £nil (2017: £nil). The group and company have not entered into any other 'off-balance sheet arrangements' in respect of its pension arrangements.

27. Financial guarantee contracts

The group has a duty deferment guarantee in favour of HM Revenue & Customs of £1,200,000 (2017: £1,200,000).

The group has issued a letter of credit in favour of The White Company Inc. of \$1,796,940 (2017: \$1,350,000). The beneficiaries of the letter of credit are the landlords of The White Company Inc. in respect of its New York and Short Hills Stores (\$1,350,000 and \$446,940 respectively).

28. Related-party transactions

Included within other debtors is an amount owed to the Group by B C Wheeler, a director of the company, of £nil (2017: £999,926).

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 £16,038,000 (2017: £16,596,000). During the year, payments made up of members' interests were paid to members and former members of Charles Tyrwhitt LLP totalling £302,000. A separate amount of £70,000 (2017: £188,000) was receivable by Charles Tyrwhitt Shirts Limited.

During the year, 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 stock transactions between the two entities during the year was £374,000 (2017: £98,000). Charles Tyrwhitt Shirts Limited also recharges Charles Tyrwhitt Inc. for certain services during the year, the recharge amount was £1,012,000 (2017: £1,563,000). Charles Tyrwhitt Inc. also recharges Charles Tyrwhitt Shirts Limited for certain services during the year, the recharge amount was £2,461,000 (2017: £2,790,000). At the balance sheet date a net amount of £5,663,000 was owed to Charles Tyrwhitt Shirts Limited (2017: £4,313,000).

Charles Tyrwhitt Sarl

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 stock transactions between the two entities during the year was £571,000 (2017: £432,000). Charles Tyrwhitt Shirts Limited also recharges Charles Tyrwhitt Sarl for certain services during the year, the recharge amount was £139,000 (2017: £140,000). At the balance sheet date a net amount of £590,000 was owed to Charles Tyrwhitt Sarl (2017: £594,000).

Other

In 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 £1,527,000 (2017: £1,273,000), after payments during the year totalling £254,000 were paid to P&H Higgins Limited from Charles Tyrwhitt Shirts Limited. During the year there were no loan repayments made from P&H Higgins Ltd to Charles Tyrwhitt Shirts Ltd (2017: £250,000).

During the year, management fees totalling £50,000 (2017: £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 31 March 2018

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. An amount of £29,807,000 (2017: £22,296,000) was owed to Charles Tyrwhitt Shirts Limited at the balance sheet date.

During the year, management fees totalling £125,000 (2017: £136,000) were paid to Bectin Limited from Charles Tyrwhitt Shirts Limited and £118,000 (2017: £nil) were paid to Bectin Limited from The White Company (U.K.) Limited.

During the period, the group repaid loans from the directors of £1,850,000 (2017: the group received loans of £2,000,000) and the company also received the transfer of other financial assets valued at £27,000 (2017: £5,562,000) from the directors.

The amounts owed by the company to its directors at the balance sheet date amounted to £20,046,000 (2017: £21,512,000). Interest of £357,000 was credited to the directors' loan accounts in the period (2017: £nil).

Bectin Limited
Notes to the financial statements (continued)
For the period ended 31 March 2018

29. Financial instruments

Group

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

	31 March 2018 £ 000	25 March 2017 £ 000
Financial assets		
<i>Measured at fair-value through profit and loss:</i>		
• Investments in listed equity instruments (see note 23)	51,796	43,054
<i>Measured at fair value and designated in an effective hedging relationship:</i>		
• Derivative financial assets (see note 30)	15	815
<i>Measured at undiscounted amount receivable:</i>		
• Trade and other debtors (see note 19)	18,632	18,291
	<u>70,443</u>	<u>62,160</u>
	31 March 2018 £ 000	25 March 2017 £ 000
Financial liabilities		
<i>Measured at fair value and designated in an effective hedging relationship:</i>		
• Derivative financial liabilities (see note 30)	910	904
<i>Measured at undiscounted amount payable</i>		
• Trade and other creditors (see note 20)	107,628	100,645
	<u>108,538</u>	<u>101,835</u>

Financial risk management

The group financial risk management objectives and policies have been discussed in the Directors' report on pages 5 and 6.

Bectin Limited
Notes to the financial statements (continued)
For the period ended 31 March 2018

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	
	2018	2017	2018	2017
	£ 000	£ 000	£ 000	£ 000
Forward foreign exchange contracts				
Asset	4,253	52,951	15	-
Liability	40,972	-	(910)	(89)
	<u>45,225</u>	<u>52,951</u>	<u>(895)</u>	<u>(89)</u>

Due after one year

	Principal		Fair value	
	2018	2017	2018	2017
	£ 000	£ 000	£ 000	£ 000
Forward foreign exchange contracts				
Liability	-	10,193	-	(190)
	<u>-</u>	<u>10,193</u>	<u>-</u>	<u>(190)</u>

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.

Bectin Limited
Notes to the financial statements (continued)
For the period ended 31 March 2018

31. Consolidated cash flow statement

Reconciliation of operating profit to cash generated by operations:

	Note	31 March 2018 £ 000	25 March 2017 £ 000
Operating profit		19,208	21,013
Adjustment to cash flow from non-cash items:			
Depreciation, amortisation and impairment	7	19,590	23,717
Unrealised foreign exchange loss		5	(111)
<i>Working capital adjustments:</i>			
Increase in inventories	18	(4,997)	(2,364)
Decrease/(increase) in debtors - due within one year	19	627	(1,046)
Decrease/(increase) in debtors - due after one year	19	284	(9,642)
(Decrease)/increase in provisions	25	(470)	683
Increase/(decrease) in creditors		7,941	(14,094)
Cash generated from operations		42,188	18,156

32. Parent and ultimate parent undertaking

Each of the directors, B C Wheeler 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

There have been no significant events affecting the group since the year-end.

Bectin Limited
Notes to the financial statements (continued)
For the period ended 31 March 2018

34. Registered addresses of subsidiary companies and entities:

Subsidiary	Registered address
Charles Tyrwhitt Shirts Limited	First Floor Cottons Centre Cottons Lane London SE1 2QG
The White Company Holding Co Limited	2 Television Centre 101 Wood Lane London W12 7FR
The White Company (U.K.) Limited	2 Television Centre 101 Wood Lane London W12 7FR
TWC Delivery Company Limited	2 Television Centre 101 Wood Lane London W12 7FR
The White Company, Inc	1209 Orange Street Wilmington New Castle County Delaware 19801 United States of America
TWC Retail (Ireland) Limited	29 Earlsfort Terrace Dublin 2 D02 AY28 Ireland

The percentage ownership of each subsidiary undertaking is set out in note 17.