

SUNSPEL LIMITED (FORMERLY SUNSPEL MENSWEAR LIMITED)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2016



SUNSPEL LIMITED (FORMERLY SUNSPEL MENSWEAR LIMITED)

COMPANY INFORMATION

Directors	N M Brooke C D Hazlehurst
Company secretary	N M Brooke
Registered number	01781094
Registered office	4th Floor, Celtic House Heritage Gate Friary Street Derby Derbyshire DE1 1LS
Independent auditors	PKF Cooper Parry Group Limited Chartered Accountants & Statutory Auditor Sky View Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA

SUNPEL LIMITED (FORMERLY SUNPEL MENSWEAR LIMITED)

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SUNSPEL LIMITED (FORMERLY SUNSPEL MENSWEAR LIMITED)
REGISTERED NUMBER: 01781094

BALANCE SHEET
AS AT 31 JANUARY 2016

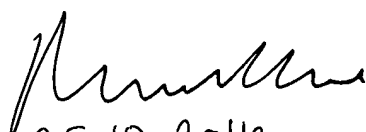
	Note	2016 £	2015 £
Fixed assets			
Tangible assets	8	1,112,054	705,361
Investments	9	44,339	25,050
		<u>1,156,393</u>	<u>730,411</u>
Current assets			
Stocks	10	1,814,401	1,716,253
Debtors: amounts falling due after more than one year	11	-	35,236
Debtors: amounts falling due within one year	11	954,091	712,790
Cash at bank and in hand		996,703	295,828
		<u>3,765,195</u>	<u>2,760,107</u>
Creditors: amounts falling due within one year	12	<u>(1,573,908)</u>	<u>(1,167,608)</u>
Net current assets		2,191,287	1,592,499
Total assets less current liabilities		<u>3,347,680</u>	<u>2,322,910</u>
Provisions for liabilities			
Deferred tax	13	(83,386)	(34,269)
Net assets		<u><u>3,264,294</u></u>	<u><u>2,288,641</u></u>
Capital and reserves			
Called up share capital	14	20,727	20,727
Share premium account	15	259,349	259,349
Profit and loss account	15	2,984,218	2,008,565
		<u><u>3,264,294</u></u>	<u><u>2,288,641</u></u>

The directors of the company have taken advantage of the exemptions available under s444 of the Companies Act 2006 and have elected not to include a copy of the profit and loss account within the financial statements.

The company's financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

N Brooke
Director


25.10.2016

Date:

The notes on pages 3 to 11 form part of these financial statements.

SUNSPEL LIMITED (FORMERLY SUNSPEL MENSWEAR LIMITED)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2016**

	Share capital £	Share premium £	Profit and loss account £	Total equity £
At 1 February 2015	20,727	259,349	2,008,565	2,288,641
Profit for the year	-	-	126,377	126,377
Capital contribution	-	-	849,276	849,276
At 31 January 2016	<u>20,727</u>	<u>259,349</u>	<u>2,984,218</u>	<u>3,264,294</u>

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2015**

	Share capital £	Share premium £	Profit and loss account £	Total equity £
At 1 February 2014	20,727	259,349	1,843,608	2,123,684
Profit for the year	-	-	164,957	164,957
At 31 January 2015	<u>20,727</u>	<u>259,349</u>	<u>2,008,565</u>	<u>2,288,641</u>

The notes on pages 3 to 12 form part of these financial statements.

SUNSPEL LIMITED (FORMERLY SUNSPEL MENSWEAR LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2016

1. Accounting policies

1.1 Basis of preparation of financial statements

Sunspel Limited (formerly Sunspel Menswear Limited) is a limited liability company incorporated and domiciled in the United Kingdom. The address of its registered office is disclosed on the company information page.

These financial statements are prepared in Sterling (£) which is the functional currency of the company. The financial statements are for the year ended 31 January 2016 (2015: year ended 31 January 2015).

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, including section 1A of FRS 102, and the Companies Act 2006.

FRS 102 is mandatory for small companies with accounting periods beginning on or after 1 January 2016, but may be early adopted. The company has taken the option to apply the standard early in the presentation of these financial statements.

The company transitioned from previously extant UK GAAP to FRS 102 as at 1 February 2015. The transition is not considered to have a material effect on the financial statements and no adjustments were necessary to restate the financial statements previously presented under UK GAAP, including the balance sheet as at 1 February 2015 and the financial statements as at and for the year ended 31 January 2016.

The following principal accounting policies have been applied:

1.2 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

SUNSPEL LIMITED (FORMERLY SUNSPEL MENSWEAR LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2016

1. Accounting policies (continued)

1.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 2% straight line
Leasehold improvements	- over the life of the lease
Other fixed assets	- 15-50% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'administrative expenses' in the profit and loss account.

At each balance sheet date, the company reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of the asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is

1.4 Valuation of investments

Investments are initially valued at cost and reviewed annually for signs of impairment. If an impairment loss is identified this is recognised immediately in the profit and loss account and the value of the investment is reduced accordingly.

1.5 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2016**

1. Accounting policies (continued)

1.6 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other accounts receivable and payable, loans from banks, other third parties and loans to related parties.

All financial assets and liabilities are initially measured at transaction price and subsequently measured at amortised cost.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

1.7 Operating leases

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

1.8 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

1.9 Pensions

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payments obligations.

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

1.10 Provisions

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the profit and loss account in the year that the company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

SUNSPEL LIMITED (FORMERLY SUNSPEL MENSWEAR LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2016**

1. Accounting policies (continued)

1.11 Current and deferred taxation

The tax charge for the year comprises of current and deferred tax.

Current tax is recognised for the amount of corporation tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

2. Tangible fixed assets

	Freehold property	Other fixed assets	Total
	£	£	£
Cost or valuation			
At 1 February 2015	71,732	1,198,737	1,270,469
Additions	-	579,113	579,113
At 31 January 2016	<u>71,732</u>	<u>1,777,850</u>	<u>1,849,582</u>
Depreciation			
At 1 February 2015	36,844	528,264	565,108
Charge for the year	1,365	171,055	172,420
At 31 January 2016	<u>38,209</u>	<u>699,319</u>	<u>737,528</u>
Net book value			
At 31 January 2016	<u>33,523</u>	<u>1,078,531</u>	<u>1,112,054</u>
At 31 January 2015	<u>34,888</u>	<u>670,473</u>	<u>705,361</u>

SUNSPEL LIMITED (FORMERLY SUNSPEL MENSWEAR LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2016**

3. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 February 2015	140,794
Additions	19,289
At 31 January 2016	<u>160,083</u>
Impairment	
At 1 February 2015	115,744
At 31 January 2016	<u>115,744</u>
Net book value	
At 31 January 2016	<u>44,339</u>
At 31 January 2015	<u>25,050</u>

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Class of shares	Holding
Sunspel-Boxer Limited	United Kingdom	Ordinary	100 %
Kayne & Raymond Limited*	United Kingdom	Ordinary	100 %
Yammerton Grange Limited*	United Kingdom	Ordinary	100 %
Sunspel (Services) Limited	United Kingdom	Ordinary	100 %
Sunspel Germany GmbH	Germany	Ordinary	100 %

*Indirect subsidiary undertaking

SUNSPEL LIMITED (FORMERLY SUNSPEL MENSWEAR LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2016**

4. Stocks

	2016 £	2015 £
Raw materials and consumables	257,047	376,875
Work in progress	89,280	72,606
Finished goods	1,468,074	1,266,772
	<u>1,814,401</u>	<u>1,716,253</u>

Stock recognised in cost of sales during the year as an expense was £2,243,856 (2015: £1,964,226).

An impairment loss of £91,425 (2015: £73,450) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

5. Debtors

	2016 £	2015 £
Due after more than one year		
Amounts owed by group undertakings	-	35,236
	<u>-</u>	<u>35,236</u>
	2016 £	2015 £
Due within one year		
Trade debtors	544,968	592,189
Amounts owed by group undertakings	87,233	-
Other debtors	321,890	120,601
	<u>954,091</u>	<u>712,790</u>

An impairment loss of £73,537 (2015: £Nil) was recognised in administrative expenses against trade debtors during the year.

SUNSPEL LIMITED (FORMERLY SUNSPEL MENSWEAR LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2016**

6. Creditors: Amounts falling due within one year

	2016	2015
	£	£
Trade creditors	1,118,230	741,723
Amounts owed to group undertakings	25,086	25,086
Corporation tax	28,620	62,244
Taxation and social security	228,738	168,091
Accruals and deferred income	173,234	170,464
	<u>1,573,908</u>	<u>1,167,608</u>

7. Deferred taxation

	Deferred tax
	£
At 1 February 2015	34,269
Charged to the profit and loss account	49,117
At 31 January 2016	<u><u>83,386</u></u>

The provision for deferred taxation is made up as follows:

	2016	2015
	£	£
Accelerated capital allowances	83,386	34,269
	<u>83,386</u>	<u>34,269</u>

SUNSPEL LIMITED (FORMERLY SUNSPEL MENSWEAR LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2016**

8. Share capital

	2016	2015
	£	£
Allotted, called up and fully paid		
20,727 Ordinary Shares shares of £1 each	20,727	20,727
	<u>20,727</u>	<u>20,727</u>

9. Reserves

Share premium

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Revaluation reserve

Amounts revalued in relation to freehold property.

Profit and loss account

This reserve represents all current and prior period accumulated profit and losses, less dividends paid.

10. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £36,629 (2015: £13,238). Contributions totalling £5,507 (2015: £7,372) were payable to the fund at the balance sheet date and are included in creditors.

SUNSPEL LIMITED (FORMERLY SUNSPEL MENSWEAR LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2016**

11. Commitments under operating leases

At 31 January 2016 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	3,067	3,067
Later than 1 year and not later than 5 years	380,000	300,000
Total	<u>383,067</u>	<u>303,067</u>

12. Related party transactions

As at 31 January 2016, the amount owed to subsidiary undertakings was £25,086 (2015: £25,086).

As at 31 January 2016, £10,151 (2015: £35,236) was due from the parent company. £77,082 (2015: £Nil) was also due from subsidiary undertakings. During the year, subsidiaries incurred service charge costs in relation to lease agreements of £77,082 (2015: £Nil). The loans are unsecured, interest free and have no fixed repayment date.

Remuneration paid to key management personnel in the year was £245,031 (2015: £208,000).

13. Audit report information

As the profit and loss account has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006.

The auditor's report was unqualified.

The auditor was PKF Cooper Parry Group Limited.

Andrew Timms signed the auditor's report as senior statutory auditor.

SUNSPEL LIMITED (FORMERLY SUNSPEL MENSWEAR LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2016**

14. Ultimate parent undertaking and controlling party

The ultimate parent undertaking in Thomas A Hill Limited, a company incorporated in England.

In the opinion of the directors there is no ultimate controlling party.