Harvey Nichols faces collapse without buyer

Mike Ashley favourite to take over department store which will run out of money by end of the year

By Tom Haynes
SENIOR BUSINESS REPORTER

HARVEY NICHOLS warned it could collapse without a rescue deal as it scrambles to find a buyer for the business.

The luxury department store will cease trading within a year unless it can be sold or it secures an fresh cash injection, newly filed accounts show. No new funding had been agreed as of July 30 when the accounts were signed off.

The warning is underlining the urgency of finding a buyer for the retailer. Sir Dickson Poon, Harvey Nichols' Hong Kong owner, put the department store up for sale in June and talks to sell part or all of the retailer are now at an advanced stage.

Mike Ashley's Frasers Group, which owns House of Fraser and Sports Direct, has emerged as the front-runner, Sky News reported on Friday. Next was involved in the discussions but is understood to no longer be involved in the process. An announcement on a potential deal could come early this week.

Founded in 1831, Harvey Nichols became a symbol of 1990s luxury thanks to its association with BBC sitcom *Absolutely Fabulous*. But the business has since lost ground, with its Knightsbridge flagship store now accounting for a disproportionate share of sales while its regional stores in Leeds, Birmingham, Edinburghm, Bristol and Manchester struggle.

The Knightsbridge flagship also went a decade between major overhauls, with a significant redevelopment only beginning last year as part of efforts to revive the brand. Mr Ashley described Harvey Nichols last week as being in a "death spiral", adding that he "wouldn't be crying a river" if Frasers' bid didn't succeed. He said he expected the retailer to be sold for less than £40m. Sir Dickson, 68, bought Harvey Nichols for £53m in 1991.

Accounts for the flagship Knightsbridge store show the group is facing a potential break-up. Directors said the retailer received a number of bids, but some proposals would require Harvey Nichols to enter formal administration before a sale could be completed. That may pave the way for the retailer to be broken up and sold in parts. City analysts expect Mr Ashley to cherry-pick Harvey Nichols shops in any takeover.

Michael Murray, Frasers' chief executive, told *The Telegraph* in July some space could be shrunk to make room for a gym or other leisure activities.

Sales for the Knightsbridge store fell from £78.1m in the 12 months to March 2024 to £69.4m a year later.

Directors said the business had been hit by inflation, currency movements and the cost of living.

> £178m
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> **Pre-tax loss recorded at the company's Knightsbridge store, in the last signed-off accounts for the year to March 2025**

Luxury retailers have also faced pressure from the abolition of VAT-free shopping for overseas tourists and changes to the non-dom tax regime. The wider group has yet to publish its accounts for the period, meaning the financial performance of the overall business is not yet clear. But directors warned that the wider group was in danger of running out of money. Forecasts showed that, without a sale, additional funding would be needed to meet the company's debts in the following 12 months.

"No such additional funding" had been agreed, the directors said. Accounts were not prepared on the usual assumption the business would continue trading, and instead used what is known as a "break-up basis".

The Knightsbridge shop reported a £178m pre-tax loss, largely the result of accounting write-downs on inter-company loans triggered by the break-up basis status. Group accounts will give a truer picture of performance.

Separate accounts for the company's online business show losses widened to £17m last year, including a £2.5m impairment charge on an inter-company loan.

A spokesman said Harvey Nichols "has received a number of bids and was actively pursuing one or more such bids with a view to concluding a transaction within the going concern period".

The spokesman added: "However, in a scenario where the group or the company is not sold to another party, additional funding will be required to ensure the group can meet its liabilities as they fall due during the going concern assessment period.

"No such additional funding has been agreed as at the date of approval of these financial statements, as they would not be necessary in the scenario of a successful sale, and therefore, if a sale is not completed and if no additional funding is provided, the Group will become a non-going concern. Hence, the accounts were filed on a non-going concern basis."

Bargain hunter? Estimates for Tim Wonnacott's collection

The hunt's over to get your hands on Wonnacott's weird bargains

By Telegraph Reporter

TIM WONNACOTT, the former presenter of *Bargain Hunt*, is selling some quirky antiques for an expected £45,000.

Wonnacott, 75, who fronted the BBC show for 12 years and 1,300 episodes, is clearing out about 50 items to make room for more collecting.

They include a Victorian-era stuffed and mounted chihuahua, a taxidermy albino stoat and a stuffed roach. He is also parting with a 4ft pike which was a Pêcher shop sign in France in 1900, two Victorian pond yachts and a 19th-century carved and painted hardwood figure of the Egyptian god Osiris.

Wartime relics include a First World War flying ace's deckchair for relaxing between sorties, and a torpedo fragment from SS Nike.

Also on offer are a carved elephant mask, an armadillo inkwell, several "bum nut" sculptures, an 1840s Canadian porcupine birchwood canoe and a 1860s novelty miniature pin-cushion set of a drawing room suite.

The sale is being held by Sworders, the auctioneers of Stansted Mountfitchet, Essex. Wonnacott said: "The Sworders annual Out of the Ordinary auction sale gives collectors like me an opportunity to go to market with those oddball, strange weird and wonderful but essentially always interesting special pieces that accrue over the years. It is in order to make space for the next round of eccentricities which I enjoy finding so much."

> 'His eye for the theatrical, historic and eccentric is reflected in a wonderfully varied assemblage'

Wonnacott presented *Bargain Hunt* from 2003-2015. The Devon-born antiques expert, who worked for Sotheby's for 25 years before leaving to pursue a television career in 2003, also appeared as a contestant on the BBC's *Strictly Come Dancing* in 2014. He now narrates *Antiques Road Trip* and *Celebrity Antiques Road Trip*.

Speaking about his career, Wonnacott previously told *The Telegraph*: "The key to being an auctioneer is control. You must use wit and sheer force of personality to control that room.

"You also need a certain style to get people to part with their money."

A Sworders spokesman said: "Tim Wonnacott is one of television's great showmen and a longstanding champion of the antique and the unusual. His eye for the theatrical, historic and eccentric is reflected in a wonderfully varied assemblage."

The sale takes place on Aug 18.

Golf course forced to change layout after complaints over stray balls

By Telegraph Reporter

A 118-year-old golf club has been forced to change the layout of its final hole after neighbours complained about stray balls in their gardens.

Wareham Golf Club in Dorset feared its members could be sued in the event of a homeowner being injured by a wayward drive on the 18th hole.

As a result, the club has altered the layout of the hole, making it shorter and forcing players to hit their tee shots diagonally away from the neighbouring properties. The 350-yard, par-four hole ran alongside a row of 25 houses that were built in the 1970s, with a 20-yard strip of land separating the course and the back gardens, providing a buffer zone for wayward shots.

But the land was sold to the property owners several years ago so they could increase the size of their plots, leading to their gardens – several containing swimming pools and many with greenhouses and conservatories – being right on the edge of the course. One resident was said to have taken to wearing a hard hat when outside after his greenhouse was smashed by a bad slice.

To reduce the risks of any injuries and members facing liabilities, the club has altered the layout of the hole by turning it into a 137-yard par three. Players now hit their tee shots diagonally away from the properties, meaning balls are less likely to leave the course.

Jeremy Stokes, the club chairman, said: "The game of golf has changed significantly in recent times, with golfers being stronger, equipment and balls creating greater distance, and with this comes the need for the next phase of the golf course design.

"We have become aware over perhaps the last five years that an increasing number of balls had been leaving the boundaries of the course, increasing concerns for the safety of our neighbours and our members' liabilities.

"There were some comments from neighbours but we made the change because we felt it was the right thing to do. It is the old chestnut of if you live by a church complaining about the church bells, or if you live by a farm complaining about the sound of cockerels.

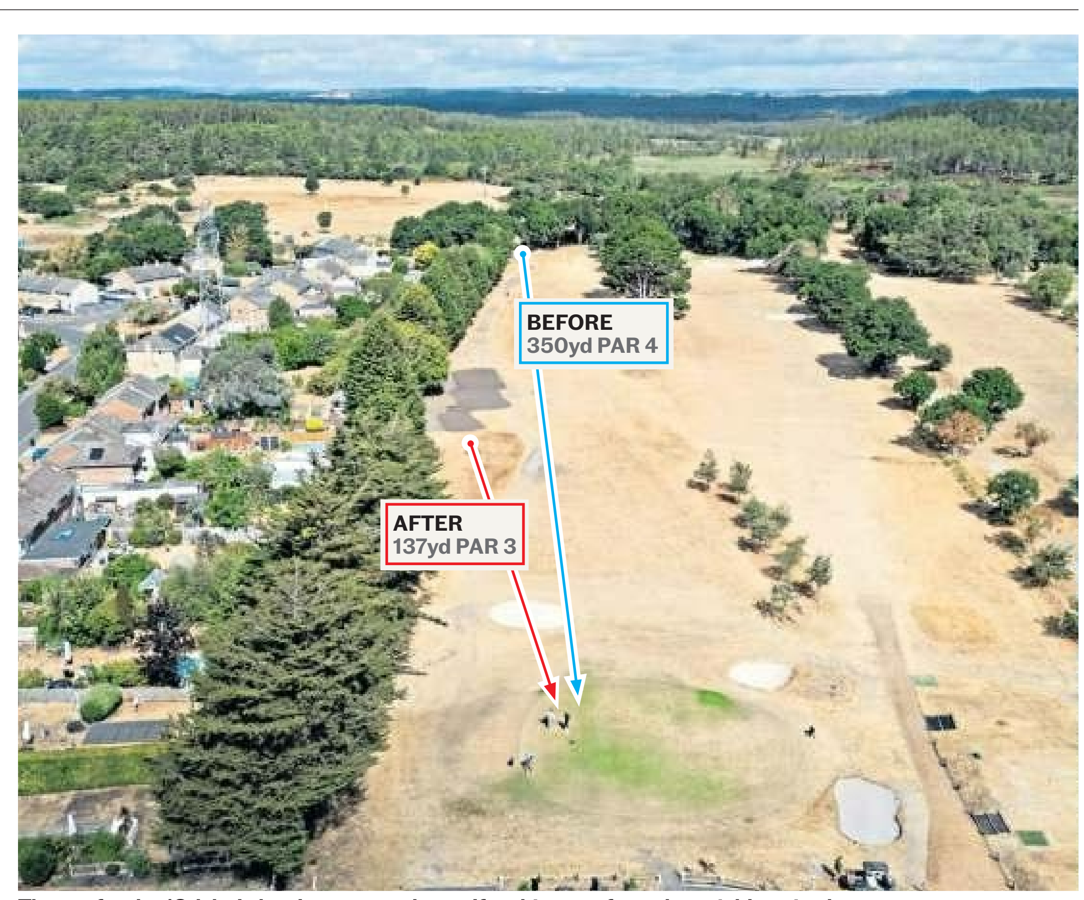
"But I think the neighbours raised the issue in the right spirit and we don't want anyone to get injured or things to get out of hand."

> 'I believe a greenhouse was smashed and the husband had to wear a hard hat in the garden after that'

One neighbour, who wished to remain anonymous, said her greenhouse was damaged by a stray golf ball three years ago.

She said: "One ball smashed our greenhouse but the golf club, to their credit, helped towards the cost of replacement. My husband had been inside it a minute earlier."

Hannah Rawles, another neighbour, said: "You do get golf balls coming over but I suppose if you live next to a golf course you should expect it. But I know other neighbours have had it a lot worse. A greenhouse was smashed and I believe the husband had to wear a hard hat in the garden after that."



The tee for the 18th hole has been moved so golfers hit away from the neighbouring houses