

**COMPANY REGISTRATION NUMBER: 00494649**

**Gloverall PLC**

**Financial Statements**

**For the year ended**

**31 December 2022**

**Gloverall PLC**  
**Financial Statements**

**Year ended 31 December 2022**

| <b>Contents</b>                             | <b>Page</b> |
|---|-------------|
| Officers and professional advisers          | <b>1</b>    |
| Strategic report                            | <b>2</b>    |
| Directors' report                           | <b>5</b>    |
| Independent auditor's report to the members | <b>7</b>    |
| Statement of income and retained earnings   | <b>11</b>   |
| Statement of financial position             | <b>12</b>   |
| Notes to the financial statements           | <b>13</b>   |

# **Gloverall PLC**

## **Officers and Professional Advisers**

### **The board of directors**

C Murray

J Y Jang

### **Company secretary**

C Murray

### **Registered office**

Baron Avenue

Earls Barton

Northampton

Northamptonshire

NN6 0JE

### **Auditor**

Streets Audit LLP

Chartered Accountants & statutory auditor

Enterprise House

38 Tyndall Court

Commerce Road

Lynch Wood

Peterborough

Cambridgeshire

PE2 6LR

### **Bankers**

NatWest Bank Plc

315 Station Road

Harrow

Middlesex

HA1 2AD

# Gloverall PLC

## Strategic Report

### Year ended 31 December 2022

**Principal Activity** The principal activity of the company in the year under review was the sales, marketing and distribution of outerwear products, knitwear and accessories. **Business Review** The company reported a £350k rise in turnover to £2.87m (2021 £2.52m). The company has reported an operating profit of £147k (2021 - £199k). The company continues to monitor its working capital requirements with continued support from the group as required. **Section 172(1) Statement** During the year ended 31 December 2022 the board of directors considers as individuals and collectively that it has acted in a way it considers, in good faith, would most likely promote the success of the company for the benefit of its members, as a whole by having regard, among other matters to; a. The likely consequences of any decision in the long term, b. The interests of the company employees, c. The need to foster the company's business relationships with suppliers, customers and others, d. The impact of the company's operations on the community and the environment, e. The desirability of the company maintaining a reputation for high standards of the business conduct, and f. The need to act fairly as between members of the company. **Directors duties** The directors have been briefed on their duties with access available to professional advice from the company's external legal team as necessary. On Company Secretarial matters, where necessary, the board has been supported by external advisors. The directors fulfill their duties in part through a governance framework that includes delegation of certain day-to-day decision making to senior employees where necessary. **Future Developments** All markets continue to be challenging and with this in mind we will continue to concentrate our efforts on the strengthening of the Gloverall brand. We expect improvements in the UK, Far East and North America. We plan in 2023 to expand both our home and export markets but at the same time keeping a focus on operating efficiencies. The directors are mindful of the current economic climate including the cost of living crisis and inflation. They are continuing to monitor the potential impact on the company. **Principal Risks and Uncertainties** The key business risks affecting the company are considered to be the impact of changes in the economic environment and changes to fashion trends which affects the demand for duffle coats, knitwear and casual outerwear and the ability to meet retailer demand for goods with the company's current manufacturing capabilities and variability of costs involved in the manufacturing process. The current economic conditions create uncertainty particularly over the level of demand for the company's products. The company seeks to manage this risk by diversifying and updating its product ranges where possible. **Corporate and Social Responsibility** The company carries out regular risk assessments to guarantee the well being of staff and visitors, in accordance with Health and Safety legislation. The company actively manages its reputation, and drives best practice, through the application of ethical sales and purchasing policies. The company is an equal opportunities employer which promotes diversity and does not differentiate on gender, ethnicity, religion, sexual orientation or physical ability. The company is committed to negating its impact on the environment. **Financial Risk Management Objectives and Policies** The company's activities expose it to a number of financial risks including credit risk, interest rate risk, currency risk and liquidity risk. **Credit risk** The company seeks to manage its credit risk by dealing with established customers or otherwise checking the credit-worthiness of new customers, establishing clear contractual relationships with those customers and by identifying and addressing any credit issues arising in a timely manner. **Interest rate risk** The company's exposure to market risk for the changes in interest rates relates primarily to its bank borrowings. The company seeks to manage this risk by the use of a combination of variable and fixed rates. **Currency risk** The company minimises its risk to foreign currency fluctuations by invoicing and purchasing in sterling where possible and where not by balancing as far as possible sales and purchases in matching foreign currency. **Liquidity risk** The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs. Short-term flexibility is achieved by overdraft facilities and borrowings from our parent undertaking. This will give the company the necessary financial backing to carry out its intended plans and properly finance the ongoing operations of the business.

This report was approved by the board of directors on 26 June 2023 and signed on behalf of the board by:

C Murray Director

Registered office:

Baron Avenue

Earls Barton

Northampton

Northamptonshire

NN6 0JE

# **Gloverall PLC**

## **Directors' Report**

### **Year ended 31 December 2022**

The directors present their report and the financial statements of the company for the year ended 31 December 2022

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#### **Directors**

The directors who served the company during the year were as follows:

I K Kim

C Murray

J Y Jang

#### **Dividends**

The directors do not recommend the payment of a dividend.

#### **Disclosure of information in the strategic report**

The company has chosen to set out in the strategic report information about the future developments of the company and the financial instruments.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the strategic report, directors' 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). 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 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 then apply them consistently; - make judgments 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; - prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. Auditor

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

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

This report was approved by the board of directors on 26 June 2023 and signed on behalf of the board by:

C Murray Director

Registered office:

Baron Avenue

Earls Barton

Northampton

Northamptonshire

NN6 0JE

# **Gloverall PLC**

## **Independent Auditor's Report to the Members of Gloverall PLC**

**Year ended 31 December 2022**

### **Opinion**

We have audited the financial statements of Gloverall PLC (the 'company') for the year ended 31 December 2022 which comprise the statement of income and retained earnings, statement of financial position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice). In our opinion the financial statements: - give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended; - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; - have been prepared in accordance with the requirements of the Companies Act 2006.

### **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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including 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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.



## **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 this regard.

## **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.

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: - adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or - the 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.

## **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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## **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. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below: Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows: - the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; - we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the company and sector in which it operates; - we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation; - we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and - identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit. We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by: - making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and - considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations. To address the risk of fraud through management bias and override of controls, we: - performed analytical procedures to identify any unusual or unexpected relationships; - tested journal entries to identify unusual transactions; - assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias; and - investigated the rationale behind significant or unusual transactions. In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to: - agreeing financial statement disclosures to underlying supporting documentation; - reading the minutes of meetings of those charged with governance; - enquiring of management as to actual and potential litigation and claims; and - reviewing correspondence with HMRC, relevant regulators and the company's legal advisors. There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report. 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.

Jonathan Day

(Senior Statutory Auditor)

For and on behalf of

Streets Audit LLP

Chartered Accountants & statutory auditor

Enterprise House

38 Tyndall Court

Commerce Road

Lynch Wood

Peterborough

Cambridgeshire

PE2 6LR

27 June 2023

# Gloverall PLC

## Statement of Income and Retained Earnings

Year ended 31 December 2022

|  |           | 2022                 | 2021          |
|--|-----------|----------------------|---------------|
|  | Note      | £                    | £             |
| <b>Turnover</b>  | <b>4</b>  | <b>2,867,449</b>     | 2,518,887     |
| Cost of sales  |           | ( 1,441,460)         | ( 1,199,709)  |
|  |           | -----                | -----         |
| <b>Gross profit</b>  |           | <b>1,425,989</b>     | 1,319,178     |
| Distribution costs   |           | ( 520,696)           | ( 473,366)    |
| Administrative expenses  |           | ( 758,390)           | ( 659,173)    |
| Other operating income   | <b>5</b>  | —                    | 12,473        |
|  |           | -----                | -----         |
| <b>Operating profit</b>  | <b>6</b>  | <b>146,903</b>       | 199,112       |
| Interest payable and similar expenses                                      | <b>10</b> | ( 154,915)           | ( 154,779)    |
|  |           | -----                | -----         |
| <b>(Loss)/profit before taxation</b>                                       |           | <b>( 8,012)</b>      | 44,333        |
| Tax on (loss)/profit   | <b>11</b> | —                    | —             |
|  |           | -----                | -----         |
| <b>(Loss)/profit for the financial year and total comprehensive income</b> |           | <b>( 8,012)</b>      | 44,333        |
|  |           | -----                | -----         |
| <b>Retained losses at the start of the year</b>                            |           | <b>( 17,926,070)</b> | ( 17,970,403) |
|  |           | -----                | -----         |
| <b>Retained losses at the end of the year</b>                              |           | <b>( 17,934,082)</b> | ( 17,926,070) |
|  |           | -----                | -----         |

All the activities of the company are from continuing operations.

**Gloverall PLC**  
**Statement of Financial Position**

**31 December 2022**

|   |      | 2022          | 2021          |
|---|------|---------------|---------------|
|   | Note | £             | £             |
| <b>Fixed assets</b>                                   |      |               |               |
| Tangible assets                                       | 12   | 45,259        | 39,482        |
| <b>Current assets</b>                                 |      |               |               |
| Stocks  | 13   | 1,059,100     | 1,088,174     |
| Debtors   | 14   | 803,307       | 467,068       |
| Cash at bank and in hand                              |      | 100,422       | 146,485       |
|   |      | 1,962,829     | 1,701,727     |
| <b>Creditors: amounts falling due within one year</b> | 15   | 3,891,983     | 3,617,092     |
| <b>Net current liabilities</b>                        |      | 1,929,154     | 1,915,365     |
| <b>Total assets less current liabilities</b>          |      | ( 1,883,895)  | ( 1,875,883)  |
| <b>Net liabilities</b>                                |      | ( 1,883,895)  | ( 1,875,883)  |
| <b>Capital and reserves</b>                           |      |               |               |
| Called up share capital                               | 18   | 16,041,187    | 16,041,187    |
| Share premium account                                 | 19   | 9,000         | 9,000         |
| Profit and loss account                               | 19   | ( 17,934,082) | ( 17,926,070) |
| <b>Shareholders deficit</b>                           |      | ( 1,883,895)  | ( 1,875,883)  |

These financial statements were approved by the board of directors and authorised for issue on 26 June 2023 , and are signed on behalf of the board by:

C Murray

Director

Company registration number: 00494649

# **Gloverall PLC**

## **Notes to the Financial Statements**

**Year ended 31 December 2022**

### **1. General information**

Gloverall Plc is a company incorporated in England and Wales under the Companies Act. The address of the registered office is Baron Avenue, Earls Barton, Northampton, Northants, NN6 0JE. The principal activity of the company was the wholesale distribution of duffle coats, knitwear and casual outerwear.

### **2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### **3. Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared on the historical cost basis. The financial statements are prepared in sterling, which is the functional currency of the entity.

#### **Going concern**

The directors have prepared the financial statements on a going concern basis. As part of their going concern review the directors have considered the liabilities of the company and have received group financial support and confirmation that this will continue for a period of at least 12 months from the date of signing and approving the financial statements. The Directors are confident that the company with support of its parent, will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and consequently have prepared the financial statements on a going concern basis.

#### **Disclosure exemptions**

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of ELand World Limited. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102: (a) No cash flow statement has been presented for the company. (b) Disclosures in respect of financial instruments have not been presented. (c) No disclosure has been given for the aggregate remuneration of key management personnel.

#### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Significant judgements The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows: Depreciation Tangible assets are recognised at cost, less accumulated depreciation and impairments. Depreciation take place over the estimated useful life, down to the assets residual value. The carrying amount of the company's fixed assets is tested as soon as changed conditions show that a need for impairment has arisen. Stock obsolescence provision The company's stock values have been assessed at the reporting date for slow moving stock whereby the future value of the stock may be reduced below current valuations due to stock obsolescence. A provision of £344,272 (2021 £315,846) has therefore been made for slow moving stock in the accounts by creating a reserve against stock values. Key sources of estimation uncertainty Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. There are no material balances in the financial statements which involve a significant degree of estimation by management. As such no key sources of estimation uncertainty are disclosed.

**Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax.

**Income tax**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in respect of all material timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are 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 measured 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.

**Foreign currencies**

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to profit and loss.

**Operating leases**

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

**Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

**Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

|                     |   |                                  |
|---------------------|---|----------------------------------|
| Plant and machinery | - | 25% straight line                |
| Equipment           | - | 4 - 6 years <i>straight line</i> |

**Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

**Government grants**

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received. Government grants are recognised using the accrual model. Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.



## Financial instruments

The company holds basic financial instruments as defined in FRS102. The financial assets and financial liabilities of the company and their measurement basis are as follows: Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at amortised cost. Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

## Defined contribution pension plans

Contributions to defined contribution pension plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

## 4. Turnover

Turnover arises from:

|               | 2022      | 2021      |
|---------------|-----------|-----------|
|               | £         | £         |
| Sale of goods | 2,867,449 | 2,518,887 |

The turnover is attributable to the one principal activity of the company. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

|                | 2022      | 2021      |
|----------------|-----------|-----------|
|                | £         | £         |
| United Kingdom | 1,173,019 | 518,897   |
| Overseas       | 1,694,430 | 1,999,990 |
|                | 2,867,449 | 2,518,887 |

## 5. Other operating income

|                         | 2022 | 2021   |
|-------------------------|------|--------|
|                         | £    | £      |
| Government grant income | —    | 12,473 |

## 6. Operating profit

Operating profit or loss is stated after charging/crediting:

|                                 | 2022    | 2021      |
|---------------------------------|---------|-----------|
|                                 | £       | £         |
| Depreciation of tangible assets | 19,385  | 28,470    |
| Impairment of trade debtors     | (2,794) | (104,652) |
| Foreign exchange differences    | 4,633   | 9,895     |

## 7. Auditor's remuneration

|  | 2022  | 2021  |
|--|-------|-------|
|  | £     | £     |
| Fees payable for the audit of the financial statements                       | 9,750 | 8,750 |
| Fees payable to the company's auditor and its associates for other services: |       |       |
| Taxation compliance services   | 1,250 | 1,250 |

## 8. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

|                      | 2022 | 2021 |
|----------------------|------|------|
|                      | No.  | No.  |
| Production staff     | 9    | 8    |
| Administrative staff | 3    | 3    |
| Management staff     | 1    | 1    |
|                      | 13   | 12   |

The aggregate payroll costs incurred during the year, relating to the above, were:

|                       | 2022    | 2021    |
|-----------------------|---------|---------|
|                       | £       | £       |
| Wages and salaries    | 407,257 | 323,823 |
| Social security costs | 21,385  | 25,079  |
| Other pension costs   | 5,257   | 5,197   |
|                       | 433,899 | 354,099 |

## 9. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

|              | 2022   | 2021   |
|--------------|--------|--------|
|              | £      | £      |
| Remuneration | 43,440 | 41,772 |

## 10. Interest payable and similar expenses

|  | 2022    | 2021    |
|--|---------|---------|
|  | £       | £       |
| Interest on banks loans and overdrafts | —       | 4,717   |
| Interest due to group undertakings     | 154,915 | 150,062 |
|  | 154,915 | 154,779 |

## 11. Tax on (loss)/profit

### Reconciliation of tax income

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than (2021: lower than) the standard rate of corporation tax in the UK of 19 % (2021: 19 %).

|  | 2022     | 2021    |
|--|----------|---------|
|  | £        | £       |
| (Loss)/profit on ordinary activities before taxation                                 | ( 8,012) | 44,333  |
| (Loss)/profit on ordinary activities by rate of tax                                  | ( 2,003) | 8,423   |
| Deferred tax not recognised on losses, capital allowances and short term differences | 2,003    | (8,423) |
| Tax on (loss)/profit   | —        | —       |

As at the year end date the company has unprovided deferred tax asset of £3,773,185 (2021 - £3,762,710) in relation to losses available for offsetting against future trade. Deferred tax has been calculated at 25% (2021 - 25%).

## 12. Tangible assets

|                            | Plant and<br>machinery | Equipment | Total   |
|----------------------------|------------------------|-----------|---------|
|                            | £                      | £         | £       |
| <b>Cost</b>                |                        |           |         |
| At 1 January 2022          | 25,116                 | 274,138   | 299,254 |
| Additions                  | 23,388                 | 1,774     | 25,162  |
| <b>At 31 December 2022</b> | 48,504                 | 275,912   | 324,416 |
| <b>Depreciation</b>        |                        |           |         |
| At 1 January 2022          | 25,116                 | 234,656   | 259,772 |
| Charge for the year        | 2,724                  | 16,661    | 19,385  |
| <b>At 31 December 2022</b> | 27,840                 | 251,317   | 279,157 |
| <b>Carrying amount</b>     |                        |           |         |
| <b>At 31 December 2022</b> | 20,664                 | 24,595    | 45,259  |
| At 31 December 2021        | —                      | 39,482    | 39,482  |

## 13. Stocks

|                                     | 2022      | 2021      |
|-------------------------------------|-----------|-----------|
|                                     | £         | £         |
| Raw materials and consumables       | 454,400   | 462,833   |
| Work in progress                    | 12,452    | —         |
| Finished goods and goods for resale | 592,248   | 625,341   |
|                                     | 1,059,100 | 1,088,174 |

#### 14. Debtors

|                                | 2022           | 2021           |
|--------------------------------|----------------|----------------|
|                                | £              | £              |
| Trade debtors                  | 316,393        | 384,925        |
| Prepayments and accrued income | 435,962        | 82,143         |
| Other debtors                  | 50,952         | —              |
|                                | <u>803,307</u> | <u>467,068</u> |

#### 15. Creditors: amounts falling due within one year

|                                    | 2022             | 2021             |
|------------------------------------|------------------|------------------|
|                                    | £                | £                |
| Trade creditors                    | 284,507          | 102,324          |
| Amounts owed to group undertakings | 3,527,419        | 3,372,808        |
| Accruals and deferred income       | 68,921           | 133,528          |
| Social security and other taxes    | 11,136           | 8,432            |
|                                    | <u>3,891,983</u> | <u>3,617,092</u> |

#### 16. Employee benefits

##### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £ 5,257 (2021: £ 5,197 ).

#### 17. Government grants

The amounts recognised in the financial statements for government grants are as follows:

|   | 2022       | 2021       |
|---|------------|------------|
|   | £          | £          |
| Recognised in other operating income:           |            |            |
| Government grants recognised directly in income | —          | 12,473     |
|   | <u>---</u> | <u>---</u> |

#### 18. Called up share capital

##### Issued, called up and fully paid

|                             | 2022         |              | 2021         |              |
|-----------------------------|--------------|--------------|--------------|--------------|
|                             | No.          | £            | No.          | £            |
| Ordinary shares of £ 1 each | 16,041,187   | 16,041,187   | 16,041,187   | 16,041,187   |
|                             | <u>-----</u> | <u>-----</u> | <u>-----</u> | <u>-----</u> |

#### 19. Reserves

*Share premium account - this reserve records the amount above the nominal value received for shares sold, less transaction costs. Profit and loss account - this reserve records retained earnings and accumulated losses.*

## 20. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

|  | 2022    | 2021    |
|--|---------|---------|
|  | £       | £       |
| Not later than 1 year                        | 80,000  | 60,000  |
| Later than 1 year and not later than 5 years | 320,000 | 78,904  |
| Later than 5 years                           | 186,667 | —       |
|  | -----   | -----   |
|  | 586,667 | 138,904 |
|  | -----   | -----   |

## 21. Related party transactions

The company has taken advantage of the exemption available under section 33 of FRS102 relating to the disclosure of related party transactions with other members of the ELand World Limited group.

## 22. Parent company

The directors regard ELand World Limited, which is incorporated in Korea, as the ultimate parent undertaking of Gloverall PLC . The group financial statements of this company are publicly available and can be obtained from the company's registered office. The group's controlling party is Song Park. The immediate parent undertaking is Euro E-Land Company Plc. The financial statements for this company can be obtained from Companies House.

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