

White Stuff Limited

Annual report and financial statements

Registered number 02319237

For the period ended 29 April 2023

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Strategic Report

The directors present their report together with the audited financial statements for the period ended 29 April 2023.

Principal activities, financial highlights, review of the business and future developments

Principal activities

The principal activity of the Group is the design and sale of women's, men's and children's clothes, shoes, and accessories through retail stores, online and through 3rd party concessions in the UK and the EU, and wholesale channels in the UK and internationally.

Financial Highlights and Performance Review for the year

Total sales for the 52 week financial period ending 29 April 2023 increased by £17.0m or 13.1% to £147.1m from £130.1m in the last period. The sales increase reflects the continued recovery of our retail shops and retail concessions, strong growth in our 3rd party online channels and further international expansion in our wholesale division. Despite a return of customers back to shops and a reduction in promotion driven sales, we have also been able to continue to grow our total online business and extend brand reach through our partnerships with Marks and Spencer, John Lewis and Partners and Next plc.

Total retail sales finished the period up £10.4m or 18% on the last period to £69.5m. This was a strong performance which saw customers returning to all our shop type locations including city centres, shopping malls, market town and resort locations. We also saw significant growth in our concessions with John Lewis and Partners and M&S. Through the course of the period, we opened 1 shop, relocated 2 shops, and closed 3 shops and 1 concession. We concluded the period with a total of 115 stores and 44 concessions.

Total online sales continued to grow, up £4.5m or 7.3% on the last period to £65.8m. Whilst there was a switch back to stores for our own solus sites, this was offset by significant growth online with our 3rd party partners. We continue to invest in digital marketing to acquire new customers, as well as leveraging our store estate to grow our multi-channel customer base. Web sales represented 44.7% of the total sales compared with 47.2% last period.

Wholesale sales finished the period up £2.1m or 21.6% on last period to £11.8m. This reflected 13.7% growth from UK and Ireland including sales to QVC and the Very Group from the Rest of the World, with strong performances from France, Germany, Netherlands and Canada as well as expansion into new territories.

Total international sales increased by 21.3% and represent 6.3% of total sales compared to 5.8% last period. This growth is driven by the recovery of store and concession sales in Belgium with growing wholesale order books post pandemic.

Gross profit at £89.1m was 13.6% up on last period. Gross profit margin percentage at 60.5% was 0.2 percentage points higher than the previous period. During the year, we improved our intake margin mix and continued to focus on reducing levels of mark down and promotion.

Total administrative costs after exceptional items were £85.5m compared to £76.5m last period. This increase of £9m includes:

- Increased payroll costs of £3.9m reflecting the underlying annual pay review and annual performance related bonus,
- Increased business rates costs, primarily as a result rates relief reflected in last year of £2.8m,
- Increase in 3rd party concession costs as a result of the increased sales levels of £2.8m,
- Net savings across all other costs of £(0.5)m.

Exceptional items was a credit in the current period of £(0.3)m and included intangible asset impairments of £0.2m, offset by an onerous lease provision release of £(0.5)m. This compares to a £0.1m exceptional cost in the last period which included intangible asset impairment of £0.2m, restructuring redundancy costs of £0.1m and an onerous lease provision release of £(0.2)m.

Other operating income was £0.1m compared to £2.1m last period, which is comprised of £0.1m rental income. This compares to the prior year which included £0.1m relating to R&D tax credits, £0.1m relating to the UK Coronavirus Job Retention Scheme and £1.9m relating to Small Business Rates Relief grants.

Strategic Report (continued)

The adjusted EBITDA profit ⁽¹⁾ is £7.5m, before charging £(0.3)m of exceptional costs compared to an adjusted EBITDA profit of £8.6m before charging £0.1m of exceptional costs last period.

The underlying adjusted EBITDA profit for the year shows significant improvement at £7.5m compared to £3.8m for the last period after removing non-recurring covid related grants and business rates relief. The £3.8m last period is after adjusting for covid related grants including £1.9m relating to Small Business Rates Relief grants, £0.1m relating to the UK Coronavirus Job Retention Scheme and £2.8m of shop related business rates relief received.

The Company profit after tax for the period was £0.3m (2022: Profit after tax £6.9m). This profit after tax is after charging a foreign exchange (loss) on derivatives of £(3.8)m, (2022: gain on derivatives of £4.2m).

No dividends were paid by the Company to the shareholders during the year (2022: £nil).

(1) Adjusted EBITDA being operating profit/(loss) before interest, tax, depreciation, amortisation of loan costs, impairment, onerous lease provision, loss on disposal of fixed assets, share based payment charges, FRS102 foreign exchange derivative revaluations and non-recurring costs (refer to page 8).

The White Stuff Brand and Business Transformation

We are pleased with the progress of our business transformation during the year. Our ability to deliver operational excellence across the business has significantly improved the customer experience, the product, and our brand reach and appeal. Investment in technology has created a solid foundation for future growth which has included a new website, CRM analytics, 3rd party integration software, and a more efficient stock allocation system.

During the year, we continued to roll out our rebranding across all areas of the business which has given White Stuff a modern make-over and a more distinctive tone of voice and is now supported with an “always on” marketing strategy. White Stuff style has evolved over the years but the ethos of championing the independent spirit has remained consistent. By updating our brand, we have taken the best of our quirky heritage and developed White Stuff into a confident modern lifestyle brand for independent spirits with individual style. For White Stuff, this is all about creativity and self-expression, trying to approach things a little differently, whether it’s how we design our clothes or by showing real people wearing them in their own way. We always focus on the detail in everything we do.

We have invested in growing brand awareness and acquiring new customers together with improving the loyalty of existing customers by developing a more personalised experience. Today, we have over 1.3m active customers with our most active customers shopping on average with us over 6 times a year. Last year we recruited a record number of new customers through shops and online activity and increased brand awareness through our 3rd party relationships.

Our product design never stands still, whether it’s our must-have seasonal collections driving sales volume or year-round wardrobe essentials to tempt and delight our customers with newness. The design team obsess over the details that make our products special from great fit with outstanding quality to interesting colour combinations, bespoke hand designed prints, new embroidery techniques and innovative fabrications. We also strive to use natural fabrics as far as possible that are both sustainably and ethically sourced including organic cotton, Eco-Vero™ viscose and Fairtrade cotton.

The range offers more choice than ever to cater for versatility within the customers wardrobe and we have seen strong growth in our stand-out knitwear in premium natural yarns, our dresses in flattering fits and beautiful prints, our women’s soft jersey shirts and men’s printed shirts. We have also worked hard to rebalance our sourcing mix to reduce manufacturing lead times whilst also taking advantage of duty-free opportunities.

In our stores, we are close to completing our brand refresh rollout to showcase the brand and have continued to evolve a profitable and flexible portfolio to service our multi-channel customer. We have relocated a number of stores to larger prime sites and remain committed to expanding our geographical reach in higher footfall locations where we are currently under-represented.

Online, we have invested in marketing to acquire new customers and improved profitability by delivering higher levels of return. During the year, we developed new functionality for our website which successfully launched this summer and is already seeing an improved performance and customer experience. This has been supported by our rapidly expanding online partnerships through M&S, John Lewis Partnership, Next, QVC and Very.

Strategic Report *(continued)*

In wholesale, we are delivering growth in the UK and internationally, building an improved service to the customer and developing more in season selling opportunities to make White Stuff more widely available.

Internationally, growth is anchored by wholesale and supported by a growing concessions and online business. We are growing our existing wholesale business with proven success in Europe and Canada and are expanding further into Europe, North America and Australasia. We have successfully re-launched our German website through a partnership with THG Ingenuity with a view to accelerate our international presence across a number of new territories. We have improved profitability across our European concession business in Germany and Belgium are now looking to expand this further in the year ahead.

We have skilled and highly engaged teams throughout the business, who feel a strong affinity with the brand and our customers and a proven track record in delivering business transformation to meet the needs of an evolving retail market. Through increased training and development, particularly across our shop estate, and a marked increase in communication on our brand values and ethical product sourcing we are putting ourselves in a strong position for future growth.

During the year we have started to plan our roadmap to become carbon net zero by 2050, building on our existing ESG credentials. We have measured our baseline carbon emissions (both direct and indirect) and are setting reductions targets based on credible, science-based targets. We have formalised our ESG steering committee to oversee the evolution and delivery of our ESG strategy and have recruited two new experienced individuals to engage with all stakeholders and support the business to deliver its ESG ambition. In addition, as part of our values we have a strong focus on employee wellbeing and inclusion, with new policies and support available for a range of issues relevant to our employee demographic.

Current trading and outlook

We made a good start to the new financial year, up against a strong performance last year. Along with the rest of the market, weather impacted our performance in July. We have however, seen a strong recovery through August and September. Total sales are currently level on the year with a good full price and margin performance.

The combined effects of global inflation and increased interest rates is impacting both our underlying cost base and dampening consumer demand. However, we are working hard with existing customers to increase personalisation and investing online and through social media to drive brand awareness and acquire new customers.

We have improved the operation of our supply chain and the management and allocation of our stock by channel to optimise stock availability, reduce stock-outs and drive our overall full price performance.

Reducing costs remains a primary focus and we have a number of workstreams delivering positive results to cut costs, improve operational efficiency and improve return on investment.

We continue to invest in brand awareness and in technology to drive our business transformation to ensure we are well placed to capitalise on future growth opportunities.

Whilst consumer confidence remains fragile due to the current economic climate, our strategic focus on growing our customer base and our cost reduction plan combined with our ability to build flexibility and contingency into our plans, gives us confidence for the year ahead.

Cash flows and Balance Sheet

The business finished the period with a net cash position of £(6.2)m (£3.3m cash at bank and in hand, less £(9.5)m drawdown under the Revolving Credit Facility) compared to last period's net cash position of £(1.1)m (£3.9m cash at bank and in hand, less £(5.0)m drawdown under the Revolving Credit Facility). Cash net outflows of £4m during the period included capital expenditure of £2.1m on digital transformation and £1.9m on store rebranding and relocations.

At the period end, the business held a £15.0m Revolving Credit Facility with Lloyds Bank which, on 28 July 2023, was extended to 30 April 2025. All banking facility covenants have been complied with and continue to be complied with and at the period end the business had drawn down £9.5m under its facilities (2022: £5.0m).

The net assets of the business closed at £19.1m versus £18.8m last period.

Strategic Report (*continued*)

Board Composition and Involvement in Decision Making

The Board of Directors is composed of two non-executive founder directors, George Treves and Sean Thomas, two executive directors – CEO Jo Jenkins and CFO Nick Mather, and three non-executive directors Debbie Hewitt, Vince Gwilliam and Gareth Jones, and is chaired by Debbie Hewitt. The Board meets formally at least ten times per annum, and more frequently either on a formal or informal basis where appropriate. Board members are selected on the basis of their skills and experience and these are reviewed on an annual basis to ensure they are aligned with the needs of the business.

The Board is responsible for the long-term success of the Company and for setting the strategy monitoring its delivery. The Board has a schedule of matters reserved for approval. Areas of specific board review and approval include:

- Overall business strategy and long-term business performance
- Annual budget and reforecasts, monthly management accounts, cashflow monitoring
- Approval of financing facilities
- Approval of major capital expenditure, major contractual commitments, and new strategic partnerships
- Regulatory compliance including health and safety, data privacy and security and ESG matters
- Overall reward, retention and engagement strategy

The Board seeks to ensure the business delivers its objectives in accordance with the Company brand values and in a supportive and transparent manner. Members of the senior leadership team are invited to attend and present at board meetings which allows the Board to engage in meaningful review and debate with the leadership team. Representatives of the Board hold employee listening sessions at least twice a year, hearing directly from representatives drawn from across the whole business including its shops, head office, distribution centre and call centre. These are free-form sessions where representatives are encouraged to provide feedback and raise any issues that they feel are important to them and the people whom they represent.

Agendas are discussed and agreed in advance with the Board Chairman and executive directors. Board papers are sent out in advance of each board meeting, which include an overview of key issues and activities from each department, performance updates including KPIs, management accounts and cashflow forecasts, together with specific papers for areas of specific debate or review. The Board also receives weekly sales reports.

The Board has two committees – an Audit Committee and a Remuneration Committee, which are chaired by Vince Gwilliam, Senior non-executive director. Both committees meet no less than twice a year. The Audit Committee monitors the Company's risk profile and register, considers the integrity of the Company's annual report and accounts, and reviews and monitors the effectiveness of the Company's external auditors, engaging with the Company's auditors to review the planned audit approach, materiality and areas of risk.

The Remuneration Committee is responsible for setting the Company's reward strategy, including overall remuneration proposals, Company pension contributions, bonus schemes and any longer-term incentive plans, taking account of external benchmarking data. It also monitors and approves remuneration proposals for the senior leadership team.

Finally, the Company has in place various steering committees for areas of compliance monitoring including a Health and Safety Committee and a Data Privacy and Security Committee, both of whom are chaired by the CFO. In the year under review, the Company established a formal ESG Committee which is chaired by the CEO. The Board receives formal reports from these committees at least annually.

Details of the key business activities or events in the year are set out in pages 1 - 3 of the Strategic Report and pages 11 -19 of the Directors' Report. The Board was fully engaged with these activities and, through the framework described above and the engagement activities described in the s172 Statement on pages below, is closely involved in the decision-making process.

Strategic Report (*continued*)

S172 Statement

The Board is aware of its responsibility to promote the success of the Company in accordance with its duties under s172 (1) of the Companies Act (section a to f) of the Companies Act 2006, and to act in good faith in a manner that benefits its members as a whole.

This statement describes how the Board has discharged these responsibilities during the year under review, and in doing so how it has considered matters including:

- the interests of the Company's employees
- the need to foster the Company's business relationships with suppliers, customers and others
- the impact of the Company's operations on the community and the environment
- the desirability of the Company maintaining a reputation for high standards of business conduct
- the need to act fairly as between members of the Company.

Our Stakeholders

The Board consider the following to be the Company's key stakeholders:

- Our customers
- Our employees
- Our suppliers
- Our communities
- Our shareholders
- Regulatory bodies

The Board seeks to balance the considerations of its key stakeholders in its decision making, having due regard for the longer-term impact of its decision making and the need to ensure the highest standard of business conduct are maintained. The framework by which it does this is described on page 4, and examples of how it engaged with its key stakeholders are set out in pages 5 – 7.

Our Customers

Our customers are central to our business strategy and are a key influence in the way we plan and evolve our product offer, our sustainability choices, our investment decisions, where and how we communicate, and how we recruit and train our employees. The Board approves the overall customer strategy as part of its business strategy review process.

As part of standard business reporting, the Board receives regular updates on customer KPIs which allows it to monitor the effectiveness of the overall customer strategy. The Board also reviews and considers various initiatives which in the year under review included:

- The review and approval of new web platform investment; this has allowed the business to improve the customer experience both technically (for example through improved page speed) and through an enhanced brand experience, which can evolve in an agile and efficient manner.
- NED Gareth Jones attends regular Technology Roadmap steering meetings which allows the Board to draw on his expertise when assessing various technology investment proposals.
- Senior management with responsibility for Customer and Brand attended board meetings during the year to outline progress against agreed strategy and to debate any issues of specific focus.
- From time to time, customer feedback is sought either for general areas (such as overall customer satisfaction scores) or specific issues (such as response to a particular initiative) and the results of this are circulated to and discussed by the Board.
- The Board attends a product range review twice a year, where the Buying Director presents the forthcoming seasonal collection, and outlines key learnings from the previous season.

Our Employees

The ability of the business to deliver a successful strategy and satisfied customers can only be achieved through the recruitment and retention of highly motivated and high performing employees, who share the core values of the business.

Strategic Report *(continued)*

As outlined above, the Board seeks to foster supportive and transparent ways of working in its interactions with the wider business, and in the year under review, the Board:

- Continued to hold periodic employee listening groups; these are informal and free-flowing sessions attended by employee representatives from all grades and across all areas of the business who are encouraged to raise any issues that are of importance to them and the people they represent.
- Undertook an evaluation of the Board, to ensure that it contained the skills and experience required to set and monitor business strategy in an effective and positive manner. In addition, at least one board member meets with proposed key new appointments prior to their appointment being confirmed.
- Through the Remuneration Committee, considers if the reward and retention structures in place are suitable to recruit, retain and motivate talent, taking account of all areas of the business. In addition, the Board undertakes periodic deep dives with the People Director to review the current talent and succession plans of the business. The Board also receives Gender Pay data and reviews and approves the Company's Gender Pay statement which is published on an annual basis.
- The Board is notified of any health and safety incidents that require a RIDDOR and formally reviews H&S within the business at least annually. CFO board member Nick Mather chairs the Health and Safety Committee which meets on a quarterly basis.

Our Suppliers

Fostering positive and supporting relationships with our suppliers means we are better able to deliver excellent products and services that our customers and other stakeholders expect from us. Examples of how the Board considered the needs of our suppliers included:

- A detailed review of product sourcing strategy, taking account of the risks inherent in the supply chain including factors such as working conditions, climate change risk, visibility and progress to map and assess the supply chain beyond the tier 1 factories used by the business.
- Consideration of the proposed Modern Slavery statement which is published on our website on an annual basis, taking account of the ways in which modern slavery risk is assessed, identified, reported and mitigated.

Our Communities

White Stuff seeks to consider the needs of the communities in which it operates – both directly and indirectly – through a combination of financial and non-financial support. In 2010, White Stuff established the White Stuff Foundation, a registered charity funded by the business through a combination of a minimum 1% of profits and through various other fundraising initiatives such as the sale of charity products in White Stuff shops and online, and employee fundraising events. The Foundation's board of trustees includes one executive director and one non-executive founder director of White Stuff, which ensures that the charity's needs are well understood by its main funder and owners.

During the year under review, the Board received a report of the activities of the Foundation, including the charitable partners supported by the Foundation and the impact that the Foundations' support had made.

The Board also reviewed and approved the annual framework agreement between White Stuff Limited and the White Stuff Foundation, which sets out the general principles of financial and non-financial support provided to the Foundation by the business.

In addition to charitable activities, the business seeks to understand the wider environmental impact of its business activities. Both the CEO and CFO are members of the ESG Committee which is responsible for setting ESG strategy, priorities and for monitoring progress, and in the year under review, the Board:

- Undertook a review of the proposed ESG pillars and priorities recommended by the business, with sustainability consultant and key business leads in attendance to present and answer questions.
- Considered the need for and approved ESG resource, including specific consultancy and dedicated ESG heads to ensure the business has appropriate skills and is appropriately positioned to deliver its objectives.

Further information about the Company's ESG activities can be found on pages 11 to 18.

Strategic Report (continued)

Our Shareholders

The Company is majority owned by its original founders, both of whom are members of the board. The senior management of the business participate in the Company's senior management share incentive scheme which aims to ensure that senior employees are appropriately incentivised to grow the business and participate in its success.

Regulatory and Other Agencies

The Board is responsible for managing relationships with regulators and other agencies including HMRC, our bank, insurers and credit rating agencies. The Board encourages an open and transparent relationship with the bank through regular management information sharing and discussions with the CFO. In addition, the CFO maintains contact with credit insurers. The Board formally reviews proposed insurance arrangements prior to renewal to ensure that an appropriate insurance portfolio is in place for agreed insurable risks. Finally, the Board receives reports and updates from the CFO and the Company's auditors and tax advisors to ensure that it is cognisant of any issues or developments within these areas.

Key performance indicators

The directors have determined that the following KPIs are the most appropriate for an understanding of the development, performance, and position of the Company:

		52 weeks ended 29 April 2023	52 weeks ended 30 April 2022
Turnover by channel	(1)	£147.1m	£130.1m
Shop		£69.5m	£59.1m
Web		£65.8m	£61.3m
Wholesale		£11.8m	£9.7m
Turnover by geographical market as a % of turnover			
United Kingdom		93.7%	94.2%
Rest of Europe		5.7%	5.2%
Other		0.6%	0.6%
Adjusted EBITDA	(2)	£7.5m	£8.6m
Adjusted EBITDA as a % of turnover		5.1%	6.6%
Shop numbers	(3)	159	162
Solus shops		115	117
Concessions		44	45

1. Third party relationships are across all channels; shop, web, and wholesale.
2. Adjusted EBITDA is operating profit/(loss) before interest, tax, depreciation, amortisation of loan costs, loss on disposal of fixed assets, impairment, onerous lease provision, share based payment charges, foreign exchange derivative revaluations and non-recurring costs (refer to below).

Strategic Report (continued)

Adjusted EBITDA calculation:

	52 weeks ended 29 April 2023	52 weeks ended 30 April 2022
	£'000	£'000
Profit/(loss) for the period	266	6,946
Adjustments for:		
Interest and similar expenses	556	388
Foreign exchange loss/(gain) on derivatives	3,750	(4,244)
Amortisation of loan costs	145	92
Loss on disposal of tangible assets	13	30
Impairment loss on intangible assets	193	196
Depreciation on tangible assets	1,254	1,754
Amortisation of intangible assets	2,287	2,628
Share based payment charge/(credit)	170	81
Onerous lease provision (release)/charge	(468)	(142)
Restructuring redundancy costs	5	65
Tax charge/(credit) on profit/(loss)	(628)	785
Adjusted EBITDA	7,543	8,579

3. Number of new and closed shops at period end (excludes online concession).

	2023 No.	2022 No.
New solus shops	1	1
Closed solus shops	(3)	(2)
New concessions	0	10
Closed concessions	(1)	-
Net shops and concessions	(3)	9
Re-sites	2	3

Strategic Report (continued)

Principal risks and uncertainties

Risk area	Risk	Mitigation
STRATEGIC RISK	There is a risk that the combination of UK and global economic uncertainty, energy shortages, inflation and rising interest rates will have an impact on costs and a reduction in consumer confidence and demand.	We consider UK, global, sector and business-specific factors when setting and updating our budgets and business forecasts. We work closely with our suppliers to manage costs as effectively as possible and have invested in our operational processes to drive further efficiency into the business. We work hard to maintain consumer confidence in our brand DNA and monitor customer feedback across a variety of channels to ensure we are aware of customer sentiment. We have invested in marketing to drive brand awareness to both acquire and retain customers. We build flexibility and agility into our business model to react quickly to fluctuations in consumer demand.
	In line with all clothing retailers, there is a risk that our product design and selection does not satisfy our customers' needs resulting in reduced sales and excess inventory.	We have a strong and experienced team in place who all have a high level of understanding of the market and consumer trends. We have plans in place to optimise retention. Our unique handwriting and brand DNA has been established and developed since 1985 and we continue to evolve and update our designs in response to customer feedback and consumer trends and expectations, including delivering an increased mix of more sustainable products.
	The strength of the White Stuff brand reputation is critical to the success on the business. Any damage to our reputation could have a significant impact on the future success of the business.	We have processes in place to identify, mitigate and manage reputational risks, including modern slavery, data security, product safety and health and safety compliance. Mitigations include the regular audit of our supply base, cyber penetration testing, incident management testing, periodic third-party compliance audits and delegation of specific responsibilities to committees including the Health and Safety Committee and the Data Privacy and Security Committee. We monitor our social media and customer feedback channels to ensure any issues are promptly identified and dealt with.
	The management of ESG (Environmental, Social and Governance) has become increasingly more important for businesses and their customers, their suppliers and broader business partners. The significance of this has been intensified by further by changes in legislation/compliance levels and increased scrutiny of sustainability claims.	We have increased resource in this critical area, engaging with internal and external resource to help us develop our ESG strategy and framework, and to set and monitor delivery targets. We have measured our carbon emissions baseline and are now working with consultants to develop our carbon reduction roadmap. The business has recently appointed a Sustainability Manager who will work across the business to deliver the roadmap and further develop the ongoing strategy.

Strategic Report (continued)

Risk area	Risk	Mitigation
OPERATIONAL RISK	The business is dependent on the effectiveness of its supply chain and operations, any significant interruption or unforeseen stress to the operations of the business could have a significant impact of revenue, data and inventory. Examples include IT system failure, the failure of one or more critical suppliers, a fire or flood at our distribution centre or a major data breach.	The Company has in place a business continuity framework across all critical areas of the business. This is managed by a quarterly committee and a weekly operational team meeting and is scenario tested through the year. The business operates a well-balanced sourcing strategy across a number of overseas countries which is regularly audited and reviewed. The business has in place cyber security and monitoring protocols which are independently assessed on an annual basis. The business ensures appropriate insurance is held in relation to key risk areas including cyber and business interruption.
	Failure to comply with legal and tax obligations in jurisdictions in which the business operates could result in significant reputational damage and costly to mitigate.	The business employs appropriately qualified people to ensure it has the knowledge and expertise required to comply with its regulatory and tax obligations. Third party experts are utilised as appropriate in specialist or evolving areas of compliance. Third party reviews and audits are conducted periodically and recommendations reported, reviewed and actioned by those with accountability within the business.
	Failure to attract and retain talent represents a risk to the ongoing success of the business.	We regularly review resource structures to ensure we have the appropriate talent in place to deliver and evolve the business strategy. We benchmark and review movements in market rates across all areas of the business and collect regular feedback from across the business from a variety of channels to ensure we can attract, retain and motivate high calibre individuals.
FINANCIAL RISK	Unfavourable movements in exchange rates could have a material impact on the cost of goods sold purchased from overseas territories.	The business has a treasury policy to buy forward in weekly tranches up to 2 years ahead covering off the bulk of product purchases over the first twelve months and then a reduced level for the second 12 months. This enables the ability to secure the buying rates committed ahead of each financial year.
	Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due	The business prepares weekly 12 month rolling cash flow forecasts which are reviewed by the CFO and action is taken as required. These are reviewed monthly by the Board. The cash flows along with monthly management accounts are monitored to ensure compliance with bank covenants forecasting 12 months ahead. The business maintains regular communication with its bankers and credit insurers.

On behalf of the Board



J V Jenkins
Director

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20 October 2023

Directors' Report

Results and dividends

The Profit and Loss account and Other Comprehensive Income is set out on page 24 and shows the results for the period. The Company prepares financial statements to the nearest Saturday to 29 April each period. The current period relates to the 52 week period ended 29 April 2023 and the comparative period to the 52 week period ended 30 April 2022.

No interim or period end dividend was declared or paid (2022: £nil).

Stakeholder Engagement Statement

The way in which the Board engages with its Stakeholders is set out in the s172 Statement on pages 4 - 7 of the Strategic Report.

Environment, Social and Governance

Introduction

During the year under review, we have made good progress with our ESG work, progressing several key initiatives, and formalising our ESG framework. We have established an ESG Committee chaired by our Chief Executive Officer, Jo Jenkins and which includes members of the senior leadership team. The committee meets at least monthly to review key priorities and progress of our sustainability ambitions. Our ESG capabilities continue to grow with the appointment of our first dedicated Sustainability Manager, and a Responsible Materials Manager.

Highlights of the year under review:

- We have increased the mix of sustainable materials within our product offer. 86% of our next summer seasonal buy contains certified, sustainable materials.
- We are now the largest retailer of Fairtrade cotton in the UK.
- We have measured our carbon baseline for scope 1 – scope 3 (both direct and indirect emissions) and commenced our carbon reduction planning roadmap, and registered with SBTi, committing to a carbon net zero target by 2050.
- 100% of our factories who supply our sustainable fabrics hold independent certification status, meaning we have full transparency and independent assurance over the end-to-end sustainable fabric production process for these factories.
- We have obtained our own independent certification status for our head office and distribution centre from independent sustainability standard bodies including the Global Organic Textile Standard, the Recycled Claim Standard, the Organic Content Standard and Global Recycled Standard.
- We have donated £171k to charities including our main charity partner Home-Start UK (via the White Stuff Foundation).

Sustainable Sourcing

In the year under review, we continued to drive our sustainable sourcing strategy. We engaged a sustainability expert to strengthen our sustainable sourcing processes and to upskill our buying teams and trained them to ensure they follow high standards of sustainable sourcing. We have introduced a new Responsible Material Partner role within the Buying team to further strengthen our resource and skills in this area.

We introduced clear and transparent standards and definitions of sustainable measures and strengthened our processes to ensure the factories which produce our sustainable fabrics have end to end independent certifications.

Our Materials

We pride ourselves on the natural materials that we use in our clothes, and at time of writing over 70% of our range is made from natural materials such as cotton, wool, and linen. We have progressively increased the proportion of our fabrics that contain sustainable attributes, focussing on the core fabrics which we use the most.

Directors' Report (*continued*)

We define sustainable fabrics as having attributes which may include:

- European Flax Standard
- Fairtrade Flo Cert Registered
- Global Organic Textiles Standard (GOTS)
- Global Recycled Standard (GRS)
- Leather Working Group (LWG)
- Lenzing Ecovero™
- Organic Content Standard (OCS)
- Recycled Claim Standard (RCS)
- Repreve Polyester
- Tencel Lyocell™

We ensure that the factories who provide our sustainable materials have obtained independent certification from globally recognised groups such as GOTS, GRS, OCS and RCS. This means we have transparency and confidence at every stage of the supply chain and are confident that the land, animals and farmers that produce the fibres are treated in a more sustainable and ethical way.

In addition, in 2023 our head office and our distribution centre were inspected and audited by the Textile Exchange's Global Organic Textile Standards and approved by third party auditors. As a result of this, we are delighted to be Scope Certified to use and sell certified fabrics throughout all our retail shops and global partnerships.

We are delighted that 86% of our next summer seasonal buy will have sustainable materials in accordance with the standards and certifications set out above.

Sustainable Material Facts:

- We are now the largest UK fashion retailer of Fairtrade cotton. Our partnership with Fairtrade allows us to independently verify that farmers are paid a fair price for their cotton. It also allows us traceability to the co-operatives from which we have sourced. We are proud that all of our men's and women's t-shirts are made using Fairtrade cotton.
- We continue to increase our use of Fairtrade and certified organic cotton. Within this, 100% of our chino shorts and trousers, 100% of the cord fabric used for our trousers and skirts, and 100% of our core cotton knitwear range is made with organic cotton.
- 100% of our women's nightwear is made using certified materials including Fairtrade and OCS organic cotton across our pyjamas and nighties and RCS polyester on our cosy robes.
- 100% of our Spring / Summer 2023 swimwear range was made from Repreve™ fabric, Repreve™ Nylon yarn is created from utilising the scrap nylon waste from production lines which are collected together and reformulated into new yarns. Repreve™ Polyester is created from used plastic bottles which are broken down, melted and made into yarns.
- 80% of our leather footwear, bags and belts are made with LWG leather and this moves to 100% in Spring summer 2024.
- 75% of our sock and tight products are made using organic cotton.

We will continue to increase the proportion of certified materials in our product ranges and from the end of 2024 onwards all the cotton and viscose we use in our ranges will be from certified sustainable sources, including (for cotton) Fairtrade, Organic Cotton Standards, Global Organic Textile Standards and recycled cotton and (for viscose) Eco-Vero™, Lyocell Modal and Tencel.

Sustainable partners and innovation

We are proud to work with one of the leading factories in sustainable denim production; the factory uses innovative production methods to reduce the environmental impact of the production process, including adherence to the Zero Discharge of Hazardous Chemicals Waste Water guidelines, using energy powered by their on-site renewable energy sources (including onsite rooftop solar panels), and recycling a significant proportion of water back into the production process. Like us, they have committed to the Science Based Target Initiatives with a focus on reducing carbon emissions.

Directors' Report (*continued*)

We believe a move towards digital sampling will play an important role in reducing both our production waste and our carbon emissions. We have started trials in this area, working with one of our strategic Indian suppliers to create garment samples in a more sustainable and more efficient manner than traditional methods, which reduces the amount of waste produced during the development stage. We look forward to further developments in this area of innovation.

We have recently introduced digital printing into our range to replace the more traditional screen-printing process. This new process uses water-based inks instead of harsh chemicals and it allows for the production of smaller quantities of product, as well as quicker and more efficient production.

We have substantially increased our use of LenzingTM Eco-VeroTM viscose, which is certified by the internationally recognised EU-Eco label of environmental excellence. The viscose is derived from sustainable wood pulp from responsibly managed, certified forests, and is produced using significantly less fossil energy and water than generic viscose.

Fair treatment of our workers

White Stuff and our suppliers work together to maintain good ethical practices. We are committed to ensuring labour rights are respected throughout our supply chain, to sourcing responsibly, and to prevent modern slavery and human trafficking, in line with the Ethical Trading Initiative base Code and the UN Guiding Principles.

Our principles

We have updated our Ethical Code of Conduct, which states:

- Employment is freely chosen
- Freedom of association and the right to collective bargaining are respected
- Working conditions are safe and hygienic
- Building & Fire Safety regulations are in place for all workers
- Child Labour shall not be used
- Living wages are paid
- Working hours are not excessive
- No discrimination is practised
- Regular Employment is provided
- No harsh or inhumane treatment is allowed
- There are no bribery & corruption practices

We publish our Modern Slavery Statement annually which explains the steps we have taken to identify and address this issue across our business.

We are an active member of the Ethical Trading Initiative (ETI), a body made up of retailers, non-governmental organisations and unions. The ETI is a way for these organisations to come together and share learnings, join projects and work closely on supply chain initiatives that can bring changes and improvements for workers in the factories that make our product.

Our buying policies prohibit us from working with countries such as Jordan, Syria or Myanmar where illegal migrant labour has been identified as a high-risk. Our cotton policy states that we do not accept cotton from regions with human rights concerns including Uzbekistan, Turkmenistan, Azerbaijan, Tajikistan & Xinjiang Region of China.

Directors' Report (*continued*)

Supply chain visibility

The supply chain within the garment industry is fragmented, and while we have full insight into the factories with whom we directly contract ("Tier 1" factories), we continue to improve our visibility and insight into the factories that are indirectly involved in the production of our products (Tiers 2 – 4).

- Tier 1 – the factories that we work with directly these factories cut, make and sew our beautiful products.
- Tier 2 – the fabric mills, printers, embellishers, tanneries and laundering units
- Tier 3 – the spinners & ginners who clean and spin the cotton
- Tier 4 Suppliers – the farms or factories that produce the raw material (such as cotton growers or manufactures of synthetic fibres).

We have mapped and audited 100% of our tier 1 supplier base and have mapped the tier 2 – 3 factories for our key Indian suppliers. We expect to have completed the mapping of our entire tier 2 base by the end of the calendar year 2023.

White Stuff has robust processes to ensure that all tier 1 factories are audited annually in line with the ETI base code. These audits are carried out by nominated independent third-party auditors and 100% of our tier 1 factories underwent an independent external audit during the year under review and we have found no instances of Modern Slavery to date.

In addition to our requirement for all tier 1 factories to have an annual independent third-party audit, we also commission our own independent audits in India & Bangladesh, where the supply chain is particularly fragmented. Our auditors visit our Indian & Bangladeshi factories and conduct additional audit reviews to provides a deeper level of insight and support to ensure we maintain a high degree of consistency and transparency within the region. This approach allows us to share with our suppliers our belief in the fair and equitable treatment of workers throughout the supply chain as stated in our Code, and then help them embrace those principles with conviction and belief, not just duty of care.

In the year under review, we have continued with our training programme for our key factories, which trains the factory compliance teams on how to ethically audit their own supply base which has helped to increase visibility of our end-to-end supply chain further down the tiers.

We are now extending our White Stuff Accreditation Programme and auditor training to new jurisdictions, with a particular focus on tier 2 – 4 factories for our key Bangladeshi suppliers. Completing this work will mean that 50% of our factories will have completed our accreditation programme and auditor training for tier 1 - 4 suppliers.

We are also introducing an enhanced and comprehensive database to more effectively monitor our supply chain audits, so that we have high quality, detailed insight into our factory audits, into the nature of any issues raised and their timely resolution.

Reducing Our Waste

We have recycling facilities in place in all our shops, our head office and our distribution centre. Wherever possible, we offer equipment and fixtures that are no longer required to our employees in return for a donation to charity.

All our samples which are fit for re-use are offered to our employees through our popular sample sales, and all proceeds from these sales are donated to the White Stuff Foundation. Any samples that are not fit for sale are sent to Newlife, a UK charity that supports disabled children. The clothes are sold in Newlife shops or are recycled or repurposed.

All the paper that we purchase for use in our shops and offices is Forest Stewardship Certified, and all our product swing tickets are made from FSC accredited paper. Finally, our e-commerce bags are made from 100% recycled content, and are recyclable.

Directors' Report (continued)

Greenhouse Gas Emissions

The table below sets out the Company's Streamlined Energy and Carbon Reporting (SECR) disclosures.

Utility and Scope	2022/23		2021/22	
	Consumption (kWh)	Consumption (tCO ₂ e)	Consumption (kWh)	Consumption (tCO ₂ e)
Grid-supplied electricity (scope 2)	4,746,055	917.79	4,812,102	1,022
Gaseous and other fuels (scope 1)	977,480	178.43	1,099,920	202
Transportation (scope 1)	91,858	25.22	Not analysed	Not analysed
Transportation (scope 3)	225,176	61.78	Not analysed	Not analysed
Transportation (total)	317,034	87.00	243,567	56
TOTAL	6,040,569	1,183.22	6,155,589	1,280

	2022/23	2021/22
Carbon Intensity Metric	KWh/tCO₂e/m²	KWh/tCO₂e/m²
Intensity metric – gross internal area	0.0366	0.0396

The above data details the annual GHG emissions (scope 1, 2 and 3) from activities for which the Company is directly responsible. The carbon intensity metric is referenced to the Gross Internal Area, which aligns with the carbon reduction policy that the Company is working towards.

Energy and fuel consumption has been converted to carbon (TCO₂e) using 2022 Government published conversion factors (Greenhouse gas reporting: conversion factors 2022).

In the year under review, we have turned our attention to the emissions produced indirectly by our operations, for example by the factories who make our products, and by the carriers who transport them from the factory to our distribution centre, and on to our shops and end customers. We have registered with the Science Based Target Initiative (SBTi) so that our targets can be objectively and scientifically assessed and have measured our entire emissions output from a 2022 baseline. We are now in the process of setting credible reduction targets in the near and long term using science based measures.

Our fibre usage accounts for approximately 60% of our carbon emissions. We have recently undertaken fabric modelling to understand which fabrics have the highest carbon impact so that we can take account of this when designing our future product ranges.

From October 2023, 100% of our UK electricity will be generated from renewable sources.

Directors' Report (*continued*)

Charity and Community

Charity and Fundraising

White Stuff has for many years regarded charitable giving as a core part of its business practice, and in 2010 established the White Stuff Foundation, a registered charity which has over the years supported a wide variety of causes. White Stuff donates at least 1% of its profit to the Foundation and has, since 2010, donated over £4.4m to the Foundation and other charities.

In the year under review, White Stuff undertook a variety of fundraising activities, including an 'Autumn is for Ambling week' initiative in the Autumn where we donated 100% of profits from all socks sold in the week, and donated £1 per mile walked by our employees during the same week and held a walking themed charity quiz night at our head office. At Christmas we introduced a range of beautiful greetings cards in our shops and online, donating 100% of the profits. In both cases, the monies raised were donated to our partner charity, Home-Start UK via the White Stuff Foundation.

We also hold regular sample sales for our head office and distribution centre staff, with all monies raised being donated to the White Stuff Foundation.

Home-Start UK

We have had another successful year with our partner charity, Home-Start UK, a local community network of trained volunteers and expert support helping families with young children through their challenging times. Since the start of our partnership in 2020, our funding has been used to support a range of initiatives including:

- Covid 19 Emergency Relief Fund– providing relief for families suffering from isolation and hardship during covid
- Peri-Natal Support Manager – we funded the recruitment and first year support of this new position, which provides specialist training and support to Home-Start volunteers to recognise the early signs of peri-natal mental health issues
- Warm Spaces, Friendly Faces – we provided winter funding grants to local Home-Starts to help centres to provide a place of warmth and safety to families, often wrapped around a programme delivering activities providing emotional and financial support
- Empowering Women Project – a key programme funded by the White Stuff Foundation, which firstly commissioned research among the network of Home-Start centres throughout the United Kingdom to understand the support required for women to develop the skills and confidence they need to build their resilience and independence. We provided funding for local programmes to provide the support needs identified. This Empowering Women programme is now in its third year and we are delighted to have provided £155,000 for this initiative to date.

Other Activities

From time to time, we provide ad hoc support to causes from time to time, including during the year under review a donation of £26,000 to the Red Cross Turkey and Syrian Earthquake Appeal.

We also encourage our employees in their personal fundraising endeavours through our matched funding scheme, where we match up to £250 the monies they raise for charity.

We support and encourage our employees to undertake volunteering activities and provide two paid volunteering days per annum.

We have recently commenced a work experience trial in partnership with a local secondary school with high levels of students from disadvantaged backgrounds, offering work experience placements to students.

Our People

The year under review saw a return to an active recruitment market, following the prolonged period of uncertainty during covid. The inflationary pressures of the year were an additional factor in minds of employees and employers alike. This turbulent employment market meant we were more focussed than ever on ensuring we can recruit, retain and motivate employees that are aligned with our brand values, and to provide a positive and open workplace culture.

In the year under review, we increased our focus on employee wellbeing, revamped our retail induction & training programs, and increased our communication and initiatives on culture & values including our work in ESG matters.

Directors' Report (*continued*)

Employee Engagement

We continued to engage with our employees in a variety of ways to ensure that we provide a working environment that encourages engagement in a positive and supportive manner. In addition to regular Listening Groups by members of the leadership team and representatives of the Board, we conducted an employee opinion survey in retail and pulse survey in head office & distribution centre which allowed us to understand and act on ideas and issues raised by a cross section of our employees throughout the business.

We hold regular 'family gatherings' at our head office and distribution centre, where employees are updated on various initiatives or activities taking place in the business. We also bring together our entire UK and International shop management team twice a year for an in-person manager's conference, where the senior leadership sets out the plans and key initiatives of the business for the forthcoming year and where attendees can raise any questions or gain further insight directly from the senior leadership team.

Hybrid Working

Having tested hybrid working for our head office staff in the last year, we were pleased to see this initiative go from strength-to-strength and is now a firm part of our culture. Our employee listening group sessions clearly highlighted the value attached to hybrid working, by allowing them the flexibility to manage their working week in a way that allows them to be more efficient, underscoring the trust between employee and employer. Our hybrid policy has also proved attractive to potential candidates in the recruitment process, allowing us to draw from a wider pool of talent in the UK.

Diversity and Inclusion

During the year, we introduced a number of new policies, initiatives and communications to strengthen our Diversity and Inclusion proposition. This included the launch of our menopause campaign to increase awareness and understanding in this area, accompanied by the launch of a new Menopause policy, the adoption of new Bank Holiday rules to give more flexibility to staff who may prefer work on a bank holiday and choose other day to take as holiday instead (eg based on religious beliefs), and the introduction of anonymous CV screening with new recruitment platform which aims to remove unconscious bias. Disability Awareness training was delivered to all Shop Managers, and our marketing and buying teams have participated in workshops on inclusive marketing and inclusive clothing design to help raise awareness and consideration when planning future marketing and product proposals.

We continued to promote learning and development within our employee base, and in the year under review we were pleased to have engaged a dedicated learning and development officer and rolled out new learning and development programmes to our shop, head office and distribution centre teams.

Safety and Wellbeing

The business has a Health and Safety Committee chaired by the CFO which meets at least four times a year to review risks and agreed actions, consider any accident statistics and trends, and to ensure appropriate measures are in place to identify and mitigate health and safety risks across all areas of the business. In addition, the Board undertakes a formal review of health and safety matters at least annually.

White Stuff also have a Data Privacy and Security Committee which meets at least bi-annually; the Board reviews the work of this committee at least annually. Every employee is required to undergo formal data privacy and security training to ensure our obligations, policies and processes are understood and adhered to.

We are conscious that the wellbeing of our employees is an essential ingredient for a happy and productive workforce. We provide resources and support materials to all our employees and include wellbeing considerations and support as part of our new starter induction process. In addition, Shop Managers have regular wellbeing check-ins with the teams alongside monthly wellbeing updates provided in retail family gathering and for their notice boards.

Reward and Remuneration

The year under review saw increasing cost of living pressures which we have sought to address, balancing the need for cost discipline against our aim to ensure that our people are fairly rewarded. We were pleased to introduce a pay increase this year for our hourly paid staff to bring them above the National Living Wage. We benchmark head office pay against industry norms, taking account of the need to attract and retain high performing individuals.

Directors' Report *(continued)*

We have in place processes to carefully monitor our compliance with gender pay and equal pay regulations and compliance with National Living Wage rules. Our shop managers undertake compliance training to ensure our obligations, policies and processes are well understood and adhered to.

Employees with Disabilities

We welcome applications for employment by people with disabilities and their applications are always fully and fairly considered in the recruitment process. For new or existing employees with a disability we will make all reasonable adjustments to the role and workplace to ensure that they are set up for success. All our locations are compliant with obligations regarding access and adaptability of the workspace.

Our Goals for the Future

- Continue to improve our visibility and training of our indirect factory base.
- Set out a carbon reduction plan, prioritising the areas we can influence to best effect.
- Increase our use of certified sustainable materials.
- Introduce sustainability visibility and scoring in our supplier selection criteria.

Contributing to the Tax System

This period the Group has paid a total £37.4m (2022: £29.2m) in taxes. The increase in taxes paid during the year compared to last year, reflects higher employer's NICs from higher staff numbers, increased import VAT reflecting the increased sales and higher levels of business rates, due to Covid-19 reliefs received in the previous year.

Political donations

The Company made £nil (2022: £nil) political donations during the period.

Other information

An indication of likely future developments in the business, financial risk management disclosure and information on key financial risks have been included in the Strategic Report on pages 1 – 10.

Directors

The directors of the Company who were in office during the period and up to the date of signing the financial statements were:

A D M Hewitt MBE (*chairman*)
J V Jenkins
N C H Mather
G T Treves
S G Thomas
V M L Gwilliam
G G Jones

Going Concern

The directors have prepared the financial statements on a going concern basis.

Profit & loss and cash flow forecasts have been prepared for the Company for the period ending 18 months from the approval of these financial statements. The directors have tested the impact of variations from the projections by assessing the adequacy of the funds and the ability to operate within the financial covenants, under a combination of different scenarios constructed to reflect reasonable possible downside risks to the assumptions within the projections.

The directors considered several downside scenarios including decreased sales sensitivity, and the levers of discretionary and uncommitted costs which the business would manage to mitigate the sales impact. These show the Company is capable of operating within its banking facilities and meeting the financial covenant tests.

Directors' Report *(continued)*

Having considered the basis of preparation and the assumptions underlying the Company's financial forecasts, the directors have a reasonable expectation that the Company will be able to meet its liabilities as they fall due for the foreseeable future. It is on this basis that the directors consider it appropriate to prepare the financial statements on a going concern basis.

Disclosure of information to auditors

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware; and the directors have taken all the 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 auditors are aware of that information.

Post Balance Sheet Events

Details of the post Balance Sheet events can be found in Note 28 to the financial statements.

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution to reappoint them as auditors to the Group was approved on 20 October 2023.

On behalf of the Board



J V Jenkins
Director

Canterbury Court
Kennington Park
1-3 Brixton Road
London
SW9 6DE

20 October 2023

Statement of Directors' Responsibilities in respect of the Financial Statements

The directors are responsible for preparing the Annual report and financial statements in accordance with applicable law and regulation. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have 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 auditors are aware of that information.

Independent Auditors' Report to the Members of White Stuff Limited

Report on the audit of the financial statements

Opinion

In our opinion, White Stuff Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 29 April 2023 and of its profit for the 52 week period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: Balance Sheet as at 29 April 2023; Profit and Loss Account and Other Comprehensive Income, Statement of Changes in Equity for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern.

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

Independent Auditors' Report to the Members of White Stuff Limited (*continued*)

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the period ended 29 April 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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.

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to Health and Safety regulations; General Data Protection regulation; Employment and Ecommerce laws, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006 and Tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to potential management bias in accounting estimates and inappropriate journal posting to manipulate financial results. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of any known or suspected instances of non-compliance with laws and regulations and fraud
- Identifying and testing journal entries with an unusual account combination;
- Designing audit procedures to incorporate unpredictability over the nature, timing or extent of our testing;
- Challenging assumptions made by management in determining their judgements and accounting estimates;
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing the financial statement disclosures and agreeing to underlying supporting documentation.

Independent Auditors' Report to the Members of White Stuff Limited (*continued*)

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

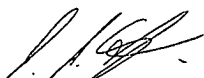
Other required reporting

Companies Act 2006 exception reporting.

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Craig Skelton (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
20 October 2023

Profit and Loss Account and Other Comprehensive Income
for the period ended 29 April 2023

		52 weeks ended 29 April 2023	52 weeks ended 30 April 2022
	<i>Note</i>	£'000	£'000
Turnover	2	147,105	130,073
Cost of sales		(58,052)	(51,678)
Gross profit		<u>89,053</u>	<u>78,395</u>
Administrative expenses (excluding exceptional items)		(85,464)	(76,460)
Exceptional Items	3	270	(119)
Other operating income	4	85	2,059
Operating profit	5	<u>3,944</u>	<u>3,875</u>
Interest receivable and similar income	8	30	4,245
Interest payable and similar expenses	9	(4,336)	(389)
(Loss) / profit before taxation		<u>(362)</u>	<u>7,731</u>
Tax on (loss) /profit	10	628	(785)
Tax on (loss) /profit – (exceptional items)	10	-	23
Profit after taxation		<u>266</u>	<u>6,946</u>
Other comprehensive result for the period, net of income tax		-	-
Total comprehensive income for the period		<u><u>266</u></u>	<u><u>6,946</u></u>

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior period are included in the Profit and Loss account.

The notes on pages 27 to 44 form part of these financial statements.

Balance Sheet
at 29 April 2023

	Note	29 April 2023		30 April 2022	
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	11		3,303		3,686
Tangible assets	12		4,061		3,361
Investment	13		22		22
			<u>7,386</u>		<u>7,069</u>
Current assets					
Stocks	14	25,195		30,096	
Debtors – due within one year	15	17,721		20,192	
– due after more than one year	16	5,798		6,008	
Cash at bank and in hand		3,264		3,855	
		<u>51,978</u>		<u>60,151</u>	
Creditors - amounts falling due within one year	17	<u>(35,133)</u>		<u>(42,980)</u>	
Net current assets			<u>16,845</u>		<u>17,171</u>
Total assets less current liabilities			<u>24,231</u>		<u>24,240</u>
Creditors - amounts falling due after more than one year	18		<u>(2,033)</u>		<u>(1,500)</u>
Provisions for liabilities	20		<u>(3,128)</u>		<u>(3,936)</u>
Net assets			<u>19,070</u>		<u>18,804</u>
Capital and reserves					
Called up share capital	23		4		4
Share premium account			2,013		2,013
Profit and loss account			17,053		16,787
Total shareholders' funds			<u>19,070</u>		<u>18,804</u>

The notes on pages 27 to 44 form part of these financial statements.

The financial statements on pages 24 to 26 were approved by the Board on 20 October 2023 and were signed on its behalf by:



J V Jenkins
Director

Statement of Changes in Equity
For the year ended 29 April 2023

	Called up Share capital £'000	Share Premium account £'000	Profit and loss account £'000	Total equity £'000
Balance at 02 May 2021	4	2,013	9,841	11,858
Profit for the year	-	-	6,946	6,946
Balance at 30 April 2022	4	2,013	16,787	18,804
Profit for the year	-	-	266	266
Total comprehensive income for the period	4	2,013	17,053	19,070
Balance at 29 April 2023	4	2,013	17,053	19,070

The notes on pages 27 to 44 form part of these financial statements.

Notes

1 Accounting policies

White Stuff Limited (the “Company”) is a private company limited by shares and incorporated and domiciled in the UK.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost modified by revaluation of financial assets and financial liabilities held at fair value through Profit and Loss and are in accordance with Companies Act 2006.

The Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (“FRS 102”) as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company’s ultimate parent undertaking, White Stuff Group Limited includes the Company in its consolidated financial statements. The consolidated financial statements of White Stuff Group Limited are available to the public and may be obtained from Canterbury Court, Kennington Park, 1-3 Brixton Road, London, SW9 6DE. In these financial statements, the Company is considered to be a qualifying entity and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes

As the consolidated financial statements of White Stuff Group Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 *Share Based Payments*; and,
- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Going Concern

At the period end, the business held a £15.0m Revolving Credit Facility with Lloyds Bank which, on 28 July 2023, was extended to 30 April 2025. These facilities are available to the Group and its subsidiaries. The terms of the agreement include quarterly testing of various financial covenants.

Projected cash flow information for the Company has been prepared for the period ending 18 months from the approval of these financial statements. The directors have tested the impact of variations from the projections by assessing the adequacy of the funds and the ability to operate within the financial covenants, under a combination of different scenarios constructed to reflect reasonable possible downside risks to the assumptions within the projections.

The directors considered several downside scenarios including decreased sales sensitivity, and the levers of discretionary and uncommitted costs which the business would manage to mitigate the sales impact. These show the Company is capable of operating within the facilities and meeting the financial covenant tests.

Having considered the basis of preparation and the assumptions underlying the Company’s cash flow projections, the directors have a reasonable expectation that the Company will be able to meet its liabilities as they fall due for the foreseeable future. It is on this basis that the directors consider it appropriate to prepare the financial statements on a going concern basis.

Consideration of climate change

In preparing the financial statements we have considered the impact of climate change. There has not been a material impact on the financial reporting judgements and estimates from our considerations, consistent with our assessment that climate change is not expected to have a meaningful impact on the viability of the Company in the medium term. In preparing our forecasts, including the rate of revenue and costs growth we have considered the impact of climate change, with no significant impact noted.

Notes (continued)

1 Accounting policies (continued)

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales. Turnover from the sale of goods is recognised when the goods are physically dispatched to the customer. Turnover is recognised at the fair value of consideration recoverable, and turnover is adjusted for estimated sales returns post period end. For our third-party relationships where the third party is the agent, revenue is recognised at the price paid by the end customer and the concession cost is recognised as an expense.

Cost of sales

Cost of sales includes the costs of goods supplied, distribution costs and stock risk management. All other costs are included in administration expenses.

Grant income

Grant income is recognised once the conditions attached to the grant are met and there is reasonable assurance that the grant will be received. Recognition is based on the accrual model and the income is included within other operating income.

Exceptional items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Company. They are items that are material either because of their size or their nature, or that are non-recurring. Exceptional items are included within the Profit and Loss account and presented separately before operating profit. They are only split out for the purposes of adjusted EBITDA.

Material items are those where, in management's opinion, their separate reporting provides a better understanding of the underlying business performance; and which are significant by virtue of their size and nature. Management assesses the specific circumstances which have led to non-recurring items and the likelihood of recurrence.

Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

Software development	- 14% to 33% straight line
----------------------	----------------------------

Amortisation is charged to the profit or loss and are amortised from the date they are available for use.

Tangible assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible assets, except for investment properties and freehold land, evenly over their expected useful lives. It is calculated at the following rates:

Land and buildings – leasehold	- Straight line over the life of the lease
Plant, machinery, fixtures, and fittings	- 20% straight line
Motor vehicles	- 25% reducing balance.
Office equipment	- 20% straight line
Computer equipment	- 20% to 33% straight line

Investments in subsidiary

These are separate financial statements of the Company. Investments in subsidiaries are carried at cost less impairment.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the weighted average cost of purchases. Net realisable value is based on estimated selling price less additional costs for disposal.

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

Notes (continued)

1 Accounting policies (continued)

Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the Profit and Loss in financial costs or income as appropriate. The Company does not currently apply hedge accounting for foreign exchange derivatives.

Impairment

The carrying amounts of the Company's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its income-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Profit and Loss account. A cash generating unit is on an individual store level, the assessment includes all sales and costs directly associated with that store and also specific allocation of central head office costs and multi-channel driven sales from that store.

The recoverable amount of fixed assets is the greater of their net realisable value and value in use. In assessing value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Provisions

A provision is recognised in the Balance Sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Onerous lease contracts are contracts in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Foreign currency

Foreign currency transactions are translated at the rate of exchange at the date of the transaction or, when hedged, at the forward contract rate. Foreign currency monetary assets and liabilities are translated at the rates ruling at the Balance Sheet date. Any differences on retranslation are taken to the Profit and Loss account.

Pre-opening costs

Pre-opening costs are revenue costs, normally consisting of store staff salaries, occupancy costs and related costs prior to the commencement of trade at new shops. These are expensed in the period in which they are incurred.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the Profit and Loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax, including UK and foreign tax, is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the Balance Sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax balances are recognised, without discounting, in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that the recognition of deferred tax assets is limited to the extent that the Company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Interest receivable and Interest payable

Interest payable and similar charges include interest payable net foreign exchange losses that are recognised in the Profit and Loss account (see foreign currency accounting policy). Other interest receivable and similar income include interest receivable on cash and cash equivalents and net foreign exchange gains. Foreign currency gains and losses are reported on a net basis.

Interest bearing borrowings

Immediately after issue debt is stated at the fair value of the consideration received on the issue of the capital instrument after deduction of issue costs. The issue costs directly associated with the arrangement of loan facilities are offset against the carrying value of the loans and amortised over the period of repayment of the respective loans.

Cash

Cash, for the purpose of the cash flow statement, comprises cash in hand, card receivables and deposits repayable on demand, less overdrafts payable on demand.

Notes (continued)

1 Accounting policies (continued)

Leased assets

All leases held are operating leases and the payments made under them are charged to the Profit and Loss account on a straight-line basis over the lease term. Lease premiums and similar incentives received to enter into operating lease agreements are released to the Profit and Loss account over the life of the lease.

Share-based payments

When share incentives are awarded to employees, the fair value of the incentive at the date of grant is charged to the income statement over the vesting period. Certain awards carry a vesting condition that is contingent on an exit event (such as the sale of the Company or a change of control). In these cases, management use their best estimate of the expected vesting period at the end of each reporting date. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance Sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the incentive granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The Company is part of a group share-based payment plan, it recognises and measures its share-based payment expense on the basis of a reasonable allocation of the expense recognised for the group. White Stuff Limited bears the entire White Stuff Group Limited expense as all employees in the scheme are employed by White Stuff Limited.

Pension costs

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in a separately administered fund. Contributions to the Company's defined contribution pension scheme are charged to the Profit and Loss account in the period in which they become payable.

Accounting estimates and judgments

Estimates and judgements are continually evaluated and are based on historical experience and other relevant factors, including management's reasonable expectations of future events. The preparation of the financial statements requires management to make significant accounting estimates and judgements concerning the future. The resulting accounting estimates will, by definition, be likely to differ from the related actual results. The estimates and judgements that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below:

a) Impairment:

Carrying amount of tangible fixed assets for stores are identified for further impairment testing primarily on the basis of current and projected performance, with growth assumptions based on directors' knowledge and experience. Given the relative immaturity of the brand outside the UK, the payback period is typically longer, and it is not uncommon for new stores to make losses in their start-up phase. Judgement is therefore applied by the directors in assessing the trigger point for impairment, recognising that losses in the start-up phase are not always indicative of the future performance of a particular store. The directors have used forecast models and an appropriate post-tax adjusted weighted average cost of capital in its tangible fixed assets impairment calculations. Management considered the sensitivity of the proposed impairment charges to movements in key assumptions such as the discount rate (based on post-tax weighted average cost of capital), long-term growth rate, performance projections, grace periods for new stores or new international regions and the wider economic environment. Management satisfied itself that the assumptions used, and the resulting impairment charges were reasonable.

Carrying amount of intangible fixed assets are reviewed for impairment when events, factors or changes in circumstances indicate that the carrying amount of the intangible fixed asset may not be recoverable. Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the impairment of such intangible fixed assets are reviewed.

b) Inventory Valuation:

The directors have used their knowledge and experience of the retail industry in determining the level and rates of provisioning required to calculate the appropriate inventory carrying values. Inventory is carried in the financial statements at the lower of cost and net realisable value. Sales in retail can be volatile with consumer demand changing based on current trends. As a result, there is a risk that the cost of inventory exceeds its net realisable value. Management calculates the inventory provision on the basis of the ageing profile of what is in stock. Adjustments are made where appropriate based on directors' knowledge and experience to calculate the appropriate inventory carrying values. Management reviewed the methodology and key assumptions used in determining the inventory obsolescence provision, such as inventory cost, season (Autumn Winter, Spring Summer) and year of the inventory balance, forecast terminal inventory balance and any specific slow moving or defective product lines, as well as the sensitivity of these assumptions when reviewing the appropriateness of the provision. Management is satisfied that the assumptions used and the year-end provision were reasonable.

Notes (continued)

1 Accounting policies (continued)

c) Useful life of Assets:

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, evenly over their expected useful lives. The expected useful life of assets is periodically reviewed for any indications that the assets are in use for a longer or shorter period than the applied depreciation rates as stated in Note 1. Determining an asset's residual value and estimated useful life involves significant judgement, particularly in IT systems and software such as our website. Management satisfied itself that the residual values and useful economic lives are appropriate, considering the sensitivity of changes in residual value on depreciation.

d) Sales Returns:

The Company sells retail products with the right of return and experience is used to estimate and provide for the value of such returns. Management reviewed the methodology and key assumptions used in determining the sales returns provision, such as our returns policy, actual sales, actual returns % for both shops and web, and the past utilisation of the provision, as well as the sensitivity of these assumptions when reviewing the appropriateness of the provision. Management is satisfied that the assumptions used, and the year-end provision were reasonable.

e) Projected Cash Flows:

Projected cash flows are important in the directors' assessment of going concern and impairment. Cash flows are based on the approved budget and directors' knowledge and experience of the Company's future performance beyond the next financial period. The financial performance impact on cash inflows and outflows are determined by trade receivable days and trade payable day.

2 Turnover

	52 weeks ended 29 April 2023 £'000	52 weeks ended 30 April 2022 £'000
<i>Analysis by geographical market</i>		
United Kingdom	137,892	122,476
Rest of Europe	8,329	6,793
Other	884	804
	<hr/>	<hr/>
	147,105	130,073
	<hr/>	<hr/>

Turnover arises from the sale of clothes, shoes, and accessories through retail, online and wholesale channels.

3 Exceptional items

	52 weeks ended 29 April 2023 £'000	52 weeks ended 30 April 2022 £'000
Impairment loss on intangible assets (note 11)	193	196
Onerous lease provision release (note 20)	(468)	(142)
Restructuring redundancy costs (note 7)	5	65
	<hr/>	<hr/>
	(270)	119
	<hr/>	<hr/>

Notes (continued)

4 Other operating income

	52 weeks ended 29 April 2023	52 weeks ended 30 April 2022
	£'000	£'000
Grant income	-	1,929
Rental income	85	78
R&D tax credit	-	52
	<u>85</u>	<u>2,059</u>

Grant income is comprised of the UK government Coronavirus Job Retention Scheme and German Kurzarbeit Short Time Work Benefit Scheme £nil (2022: £5k), and £nil (2022: £1,924k) received under the Small Business Rates Relief grants and German Bridge Aid. There are no unfulfilled conditions or other contingencies relating to the Grants.

5 Operating profit

Operating profit is stated after charging/(crediting):

	52 weeks ended 29 April 2023	52 weeks ended 30 April 2022
	£'000	£'000
Amortisation of loan costs	145	92
Depreciation (note 12)	1,254	1,754
Amortisation (note 11)	2,287	2,628
Impairment loss on intangible assets (note 11)	193	196
Onerous lease net release (note 20)	(468)	(142)
Exceptional items (restructuring costs) within administration expenses	5	65
Hire of other assets - operating leases	7,870	7,973
Loss on disposal of tangible assets	13	30
Auditors' remuneration		
- Audit fees of financial statements	114	87
- Other service in relation to taxation advice	149	127
	<u>114</u>	<u>127</u>

Notes (continued)

6 Remuneration of directors

	52 weeks ended 29 April 2023	52 weeks ended. 30 April 2022
	£'000	£'000
Directors' remuneration	1,943	939
Contributions to defined contribution pension scheme	23	18
	<hr/>	<hr/>
Total directors' emoluments	1,966	957
	<hr/>	<hr/>

The total amount payable to the highest paid director in respect of emoluments was £1,060k (2022: £435k), including pension contributions of £6k (2022: £1k).

7 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the period, analysed by category, was as follows:

	52 weeks ended 29 April 2023 No.	52 weeks ended 30 April 2022 No.
Head office	195	182
Warehouse	88	87
Retail shops	920	894
	<hr/>	<hr/>
	1,203	1,163
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	52 weeks ended 29 April 2023 £'000	52 weeks ended 30 April 2022 £'000
Wages and salaries	26,649	23,327
Social security costs	1,988	1,574
Other pension costs	787	658
	<hr/>	<hr/>
	29,424	25,559
	<hr/>	<hr/>

The aggregate payroll costs include £5k (2022: £65k) restructuring redundancy costs but includes no reduction in payroll recognised under Grant Income through the government Coronavirus Job Retention Scheme (2022: £5k)

White Stuff Group Limited operates an Unapproved Share Option Scheme. The total share-based payment charge for the period ended 29 April 2023 was £114k (2022: £37k) and £55k national insurance accrual (2022: £44k) which relates to options granted to employees over shares in the parent company White Stuff Group Limited. Disclosures relating to Share Based Payments are in the White Stuff Group Limited accounts.

Notes (continued)

8 Interest receivable and similar income

	52 weeks ended 29 April 2023 £'000	52 weeks ended 30 April 2022 £'000
Bank interest	30	1
Foreign exchange gains on derivatives	-	4,244
	<u>30</u>	<u>4,245</u>
	<u>30</u>	<u>4,245</u>

9 Interest payable and similar expenses

	52 weeks ended 29 April 2023 £'000	52 weeks ended 30 April 2022 £'000
Bank interest	586	389
Foreign exchange loss on derivatives	3,750	-
	<u>4,336</u>	<u>389</u>
	<u>4,336</u>	<u>389</u>

10 Tax on (loss)/profit

Analysis of (credit)/charge in period

	52 weeks ended 29 April 2023 £'000	52 weeks ended 30 April 2022 £'000
<i>UK corporation tax</i>		
Adjustments in respect of previous periods	5	10
Foreign tax suffered	-	-
	<u>5</u>	<u>10</u>
Total current tax	5	10
<i>Deferred tax (note 22)</i>		
Origination and reversal of timing differences	(41)	1,628
Adjustments in respect of previous periods	(82)	(11)
Effect of changes in tax rates	(510)	(842)
	<u>(633)</u>	<u>775</u>
Total deferred tax	(633)	775
	<u>(628)</u>	<u>785</u>
Total tax per income statement	(628)	785

Factors affecting the tax charge for the current period

The current tax charge for the period is lower (2022: lower) than the standard rate of corporation tax in the UK. The average rate is 19.49% in 2023 (2022: 19.00%). The differences are explained below.

Notes (continued)

10 Tax on profit/(loss) (continued)

	52 weeks ended 29 April 2023 £'000	52 weeks ended 30 April 2022 £'000
<i>Charge for the period can be reconciled to the loss per the Profit and Loss statement as follows:</i>		
(Loss)/profit before taxation	(362)	7,731
	<hr/>	<hr/>
Current tax at 19.49% (2022: 19.00%)	(71)	1,469
<i>Effects of:</i>		
Expenses not deductible	50	161
Income not taxable	(54)	(10)
Adjustments to tax charge in respect of previous periods	(76)	-
Tax rate changes	(510)	(842)
Deferred tax not provided	33	7
	<hr/>	<hr/>
Total tax (credit)/charge for the period	(628)	785
	<hr/>	<hr/>

The UK deferred tax asset at 29 April 2023 has been calculated based on the corporation tax rate that is expected to apply when the asset is settled.

In the current year there was no tax credit (2022: £23k) included in the Profit and Loss Account, on exceptional costs of £270k (2022: £119k). This is calculated on the basis that in the UK, impairment loss on intangible assets, onerous lease provisions and restructuring costs are tax deductible at 25%. Any tax liability has been offset by losses brought forward.

Notes (continued)

11 Intangible assets

	Software Development Costs £'000
<i>Cost</i>	
At 01 May 2022	11,849
Additions	2,097
Disposals	-
At 29 April 2023	13,946
<i>Impairment</i>	
At 01 May 2022	(1,979)
Charge for period	(193)
At 29 April 2023	(2,172)
<i>Accumulated Amortisation</i>	
At 01 May 2022	(6,184)
Charge in the period	(2,287)
Disposals	-
At 29 April 2023	(8,471)
<i>Net Book Value</i>	
At 29 April 2023	3,303
At 30 April 2022	3,686

Carrying amount of intangible fixed assets are reviewed for impairment when factors, events, or changes in circumstances indicate that the carrying amount of the intangible fixed asset may not be recoverable. Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the impairment of such intangible fixed assets are reviewed.

The business continues to review its' strategic priorities and following completion of a cost vs benefit analysis on the IT investment roadmap has concluded that an impairment of certain intangible assets was necessary. As a result, an impairment loss was recognised for the period ended 29 April 2023 of £193k (2022: £196k). By virtue of the nature of the charge, and consistency with the prior year the charge has been recognised as exceptional.

Notes (continued)

12 Tangible assets

	Land and buildings leasehold	Plant, machinery, fixtures, and fittings	Motor vehicles	Computer equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 01 May 2022	13,832	28,017	66	8,157	50,072
Additions	-	2,034	-	153	2,187
Disposals ⁽¹⁾⁽²⁾	(169)	(69)	-	-	(238)
At 29 April 2023	13,663	29,982	66	8,310	52,021
Accumulated Depreciation					
At 01 May 2022	(13,319)	(25,206)	(61)	(8,125)	(46,711)
Charge for period	(129)	(1,040)	-	(85)	(1,254)
Impairment losses	-	-	-	-	-
Disposals ⁽¹⁾	-	5	-	-	5
At 29 April 2023	(13,448)	(26,241)	(61)	(8,210)	(47,960)
Net book value					
At 29 April 2023	215	3,741	5	100	4,061
At 30 April 2022	513	2,811	5	32	3,361

⁽¹⁾ There were no disposal write offs of fully written down assets with £nil NBV in the year (2022: (£7.0m).

⁽²⁾ Included in disposals is a capital contribution of £169k (2022: £nil).

The carrying amount of tangible fixed assets on the Balance Sheet are dependent on the estimates of future profits and cash flows arising from the Company's operations. The key assumptions for the value used in calculating any impairment loss are regarding expected like-for-like sales growth rates to individual stores, respective impact on costs and discount rates applied to the forecast future cash flows. Management estimates discount rates using a post-tax discount rate based on the weighted average cost of capital for the Company of 14.79%.

In light of the ongoing economic uncertainty, management continue to reassess the impact on the retail store sales together with the ongoing mix of retail and online sales. Management have assessed and estimated future business performance and cash flow projections for its retail stores.

The expected retail growth in like-for-like stores sales are a source of significant estimation uncertainty and a future change to the assumption of sales growth would result in a reassessment of the value in use and could give rise to a change in the impairment recognised. A decrease of 1% to the assumed annual like-for-like forecast sales would not result in any further impairment charge in the period. An increase of 1% on the discounted rate applied would also not result in any further impairment charge in the period.

Notes (continued)

13 Investments

	Investment in subsidiary £'000
<i>Cost</i>	
At 01 May 2022	22
Additions	-
	<hr/>
At 29 April 2023	22
	<hr/>
<i>Net book value</i>	
At 29 April 2023	22
	<hr/>
At 30 April 2022	22
	<hr/>

No impairment loss was recognised in the period (2022: £nil).

Subsidiary and associated undertaking	Country of incorporation	Registered office address	Principle activity	Class and percentage of shares held
White Stuff (Germany) GmbH	Germany	Theresienhohe 30 c/o Panazee Consulting 80339 München Germany	Retailer of women's and men's clothing and accessories.	100% ordinary shares

14 Stocks

	52 weeks ended 29 April 2023 £'000	52 weeks ended 30 April 2022 £'000
Finished goods and goods for resale	25,195	30,096
	<hr/>	<hr/>

There is no material difference between the replacement cost of stocks and the amounts stated above. Finished goods and goods for resale recognised as cost of sales in the period for the Company amounted to £58.1m (2022: £51.7m).

Notes (continued)

15 Debtors - due within one year

	52 weeks ended 29 April 2023 £'000	52 weeks ended 30 April 2022 £'000
Trade debtors	4,240	4,828
Amounts owed by group undertakings ⁽¹⁾	11,714	11,884
Derivative financial assets ⁽²⁾	-	2,263
Corporation tax	9	42
Other debtors	647	27
Prepayments and accrued income	1,111	1,148
	<u>17,721</u>	<u>20,192</u>

⁽¹⁾ Amounts owed by the parent company and subsidiary are interest free and repayable on demand.

⁽²⁾ Derivative assets and liabilities relate wholly to forward foreign exchange contracts which are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value. The change in fair value of derivatives is recognised in the Profit and Loss and the respective asset or liability on the Balance Sheet.

The Company has a foreign currency policy to enter into forward foreign currency contracts up to 24 months from the date the derivative contract is entered into. This is done to mitigate the exchange rate risk and cover the expected payment terms of stock suppliers in the respective foreign currency.

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds). The key assumptions used in valuing the derivatives are the forward exchange rates for GBP: USD.

As at the period end, there are derivative liabilities of £(644)k, with £(111)k due within one year and £(533)k due after one year (see notes 17, 18 and 21) (2022: Total derivative assets £3,106k with £2,263k due within one year and £843k due after one year).

The prior year derivative asset relates to foreign exchange deals booked up to 12 months forward.

16 Debtors - due after one year

	52 weeks ended 29 April 2023 £'000	52 weeks ended 30 April 2022 £'000
Deferred tax asset	5,798	5,165
Derivative financial assets ⁽¹⁾	-	843
	<u>5,798</u>	<u>6,008</u>

⁽¹⁾ The prior year derivative asset relates to foreign exchange deals booked 13 to 24 months forward.

Notes (continued)

17 Creditors - amounts falling due within one year

	52 weeks ended 29 April 2023 £'000	52 weeks ended. 30 April 2022 £'000
Bank loans and overdrafts (note 19) ⁽¹⁾	9,500	5,000
Trade creditors	7,567	11,277
Derivative liability ⁽²⁾	111	-
Corporation tax	-	-
Other taxation and social security	2,305	3,060
Other creditors	627	1,215
Accruals and deferred income	15,023	22,428
	<u>35,133</u>	<u>42,980</u>

⁽¹⁾ The £9.5m bank loan is borrowed under the Lloyds Bank £15.0m Revolving Credit Facility secured to the end of the term.

⁽²⁾ Derivative liabilities relate to foreign exchange deals booked up to 12 months forward.

18 Creditors - amounts falling due after more than one year

	52 weeks ended 29 April 2023 £'000	52 weeks ended 30 April 2022 £'000
Derivative liability ⁽¹⁾	533	-
Shareholder loans ⁽²⁾	1,500	1,500
	<u>2,033</u>	<u>1,500</u>

⁽¹⁾ Derivative liabilities relate to foreign exchange deals booked 13 to 24 months forward.

⁽²⁾ During the period there were no further amounts loaned by certain directors to the Company (2022: £1,500k). The existing loans are non-secured, non-interest bearing and repayable in accordance with the terms of the loan arrangements and subordination deed between the lenders, the Company, and the Company's bankers.

19 Borrowings

At the period end, the business held a £15.0m Revolving Credit Facility with Lloyds Bank which, on 28 July 2023, was extended to 30 April 2025. All banking facility covenants have been complied with and continue to be complied with and at the period end the business had drawn down £9.5m under its facilities (2022: £5.0m).

Notes (continued)

20 Provisions for liabilities

	Onerous lease provision £'000	Property provision £'000	Other provisions £'000	Total £'000
At 01 May 2022	539	2,762	635	3,936
Utilised during the period	(200)	(85)	-	(285)
Charge/(credit) to the Profit and Loss account	(268)	60	(315)	(523)
At 29 April 2023	71	2,737	320	3,128

Onerous lease provision is for loss making stores which have been provided for to the lease end or break date, the provision is expected to be utilised over the life of the related leases.

The key assumptions for the value used in calculating any onerous lease provision are regarding expected like-for-like sales growth rates to individual stores, respective impact on costs and discount rates applied to the forecast future cash flows. Management estimates discount rates using a risk-free rate for the Company of 4.08% (2022: 2.07%).

As a result, no new onerous lease provision was recognised for the year ended 29 April 2023 (2022: £nil), £(200)k credit was utilised in the year relating to prior year onerous leases (2022: £(142)k and £268k (2022:£nil) unused provision was released into the profit and loss. By virtue of the nature of the charge and consistent with the prior year, the net charge/(credit) has been recognised as exceptional.

The expected retail growth in like-for-like stores sales are a source of significant estimation, uncertainty. A future change to the assumption of sales growth would result in a reassessment of the value in use and could give rise to a change in the impairment recognised. A decrease of 1% to the assumed annual like-for-like forecasted sales would not result in any further onerous lease charge being recognised in the period.

The property provision is for landlord repairs and dilapidations to be utilised over the next 24 months. Other provisions comprise a number of liabilities with varying expected utilisation rates.

21 Financial instruments

	52 weeks ended 29 April 2023 £'000	52 weeks ended 30 April 2022 £'000
Financial assets that are debt instruments measured at amortised cost:		
- Trade debtors (note 15)	4,240	4,828
- Other debtors (note 15)	647	27
	4,887	4,855
Financial liabilities and assets measured at fair value through profit and loss:		
- Derivative financial assets/(liabilities) (notes 15, 16, 17, 18)	(644)	3,106
	(644)	3,106

Notes (continued)

21 Financial instruments (continued)

	52 weeks ended 29 April 2023 £'000	52 weeks ended 30 April 2022 £'000
Financial liabilities that are debt instruments measured at amortised cost:		
- Bank loans and overdrafts (notes 17, 19)	(9,500)	(5,000)
- Trade creditors (note 17)	(7,567)	(11,277)
- Other creditors (note 17)	(627)	(1,215)
	<u>(17,694)</u>	<u>(17,492)</u>

22 Deferred tax

The deferred tax asset relates to the following:

	52 weeks ended 29 April 2023 £'000	52 weeks ended 30 April 2022 £'000
Fixed asset timing difference	2,031	1,713
Short term timing differences - trading	183	(533)
Losses	3,565	3,965
R&D expenditure credit	20	20
	<u>5,799</u>	<u>5,165</u>

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

23 Called up share capital

	52 weeks ended 29 April 2023 £	52 weeks ended 30 April 2022 £
<i>Allotted and called up</i>		
3,830 Ordinary shares of £1 each (2022: 3,830)	3,830	3,830

At 29 April 2023, all Ordinary shares of £1 each were allotted, called up and fully paid. (2022: all Ordinary shares of £1 each were allotted called up and fully paid).

24 Commitments

a) Capital commitments at the end of the financial period for which no provision has been made, are as follows:

	52 weeks ended 29 April 2023 £'000	52 weeks ended 30 April 2022 £'000
Contracted but not provided for	622	476

Notes (continued)

24 Commitments (continued)

b) Annual commitments under non-cancellable operating leases are as follows:

	Land and buildings 29 April 2023 £'000	Land and buildings 30 April 2022 £'000
Other operating leases expiring:		
- within one year	884	654
- in two to five years	15,103	21,323
- after five years	12,338	8,045
	<hr/>	<hr/>
	28,325	30,022
	<hr/>	<hr/>

Total operating leases charges through the Profit and Loss during 2023 amounts to £9,006k (2022: £9,240k).

25 Pension scheme

The Company has operated a defined contribution pension scheme open to qualifying employees since May 2010. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension charge amounted to £787k (2022: £658k). There were no outstanding contributions at the end of the financial period (2022: £nil).

26 Related party disclosures

During the period the Company paid £559k (2022: £526k) in respect of shop-fitting services to a company (Workshop Limited) associated with a family member of one director (S G Thomas).

During the period, the Company generated charitable donations of £171k for the White Stuff Foundation and other charities (2022: £177k) through a combination of direct charitable donations, fundraising initiatives carried out by our shops and employees, which are collected on behalf of the Foundation, and gifts in kind.

Total compensation of key management personnel (including the directors) in the period amounted to £2,854k (2022: £1,644k).

Loans to directors:

At the period end, J V Jenkins had outstanding loans for £111k from the Company (2022: £111k), N C H Mather had an outstanding loan for £11k from the Company (2022: £11k) and A D M Hewitt had an outstanding loan for £8k from the Company (2022: £8k). The loans are non-interest bearing and are repayable in accordance with the terms of the loan agreement between the individuals and the Company.

Loans from directors:

At the period end, the Group had outstanding loans of £1,500k (2022: £1,500k) from certain directors which were made by them in a proportion linked to their respective shareholding in the Group. The loans are non-secured, non-interest bearing and repayable in accordance with the terms of the loan agreements and subordination deed between the lenders, the Group and the Company, and the Company's bankers.

The Company has utilised the exemption under FRS 102 as a subsidiary undertaking not to disclose transactions with White Stuff Group Limited.

Notes (continued)

27 Ultimate holding company

The ultimate parent undertaking of the Company is White Stuff Group Limited, which is registered in England and Wales. The financial statements of White Stuff Group Limited which consolidate the results of the Company may be obtained from Canterbury Court, Kennington Park, 1-3 Brixton Road, London, SW9 6DE.

28 Post balance sheet events

- The £5.0m facility under the Coronavirus Large Business Interruption Loan Scheme which expired on 17 July 2023, was replaced by a separate agreement with Lloyds Bank under the same terms.
- On 28 July 2023, the business signed an extension until 30 April 2025, to the Revolving Credit Facility with Lloyds Bank, that is scheduled to expire on 30 November 2024.
- £2.5m has been repaid in line with the short-term working capital requirement, leaving £8m unutilised. Interest is charged on the borrowings at a margin plus base rate.