

Radley Retail Limited

Registered number: 02572572

Annual Report

FOR THE 52 WEEK PERIOD ENDED 25
APRIL 2021



RADLEY RETAIL LIMITED

COMPANY INFORMATION

Directors	N Cooper J Stead N Vance
Registered number	02572572
Registered office	Unit 1B Etheridge Avenue Brinklow Milton Keynes MK10 0BP
Independent auditors	Ernst & Young LLP Bedford House 16 Bedford Street Belfast BT2 7DT
Bankers	Barclays Bank plc, 1 Churchill Place London, E14 5HP Wells Fargo Bank N.A. 420 Montgomery Street San Francisco CA 94009
Solicitors	Wilkie Farr & Gallagher (UK) LLP CityPoint, 1 Ropemaker Street, London EC2Y 9AW

RADLEY RETAIL LIMITED

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**STRATEGIC REPORT
FOR THE PERIOD ENDED 25 APRIL 2021**

Introduction

The directors present their strategic report and the audited financial statements for the 52 week period ended 25 April 2021

Principal activities and review of the business

The principal activities of the company during the year was the retailing of own branded handbags, small leather goods and accessories through a combination of its own retail stores and a number of staffed and unstaffed concessions in the U.K.

The results for the year were significantly impacted by the Covid-19 pandemic, which in the U.K. resulted in the enforced closure of all non-essential retail in most regions for three periods in the period: from 23 March 2020 until 15 June 2020; from 5 November 2020 until 2 December 2020; and again from 6 January 2021 until 12 April 2021. This reduced sales in our own stores and concessions significantly for the year.

During the first lockdown period, in March and April 2020 a full review of the company's operations had been carried out and the decision taken to close a total of 15 full price stores whose outlook had become unprofitable as a result primarily of Covid-19 but also other factors, including high business rates and fixed rents. Where possible leases were yielded on expiration, or alternatively lease surrenders were negotiated with landlords. At the end of the period 2 full price stores remained trading, in Glasgow and Covent Garden.

Radley's UK outlet portfolio (numbering 16 stores at the period end) was impacted by the same lockdown periods above, with stores closed for approximately half of the financial year. Management swiftly moved to reduce costs while stores were closed, including the negotiation with landlords of the removal of fixed base rents in the majority of sites, as well as taking advantage of rates relief, the government Coronavirus Job Retention Scheme, and retail premises grants available during period of enforced closure. Whilst sales were down 63% on the prior year, the chain remained profitable due to the measures taken above, albeit at a lower level than the prior year.

The total concession business in John Lewis was only down 18% on the prior year, with johnlewis.com accounting for 74% of sales in this channel and up 50% year on year. Virtually all costs are variable in this model and as a result, the channel was profitable in the year. Our other concessions in Boundary Mills and Yorkshire Mills were down 61% but remained profitable due to the primarily variable cost model and the furlough scheme grants support mentioned above reduced the impact of staff costs.

Many customers from our bricks and mortar routes to market shopped online at www.radley.co.uk instead, whose sales were up 45% on the prior year; these results are reported in another group company, Radley+Co Limited.

RADLEY RETAIL LIMITED

STRATEGIC REPORT (CONTINUED)

Principal activities and review of the business (continued)

The EBITDA of the company and other group companies, representing the total trading performance of the Radley group should always be viewed together. These are shown below, including consolidation adjustments:

	52 week period ended 25 April 2021 £'000	52 week period ended 26 April 2020 £'000
Group EBITDA (before non-recurring items)		
Radley Retail Limited	1,659	459
Radley + Co Limited	2,062	938
Radley Japan KK	(152)	(648)
Radley China Limited	(759)	(134)
Radley USA LLC	231	(539)
Radley Netherlands B.V*	(132)	-
Radley Outlets Limited*	(6)	-
Holding companies and consolidation adjustments	(315)	36
Group total	2,588	112
Underlying EBITDA (excluding Radley Japan KK and Japan related consolidation adjustments)	2,783	246
	52 week period ended 25 April 2021 £'000	52 week period ended 26 April 2020 £'000
Company Statutory measures		
Turnover	13,176	34,841
Operating (loss)/profit before non-recurring items	1,082	(237)

*Radley Netherlands B.V was incorporated on 2 September 2020 and is reporting a 34 week period ended 25 April 2021 and Radley Outlets Limited was incorporated on 23 June 2020 and is reporting a 44 week period ended 25 April 2021.

**STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 25 APRIL 2021**

Chief Executive Officer's Statement

Justin Stead, Radley group CEO, said:

The accounts finalised to 25 April 2021 reflect the difficult trading conditions during the pandemic. During this period the management team with the support of our shareholders kept the business safe through appropriate sensible actions and cautious planning throughout. Since the reopening in April 2021, the business has recovered more strongly than anticipated and strong growth is being delivered across a significantly reshaped store base, our existing and new digital channels, across our wholesale partners and internationally, particularly from the USA. The business has been reshaped, re-engineered and repositioned within a disciplined 5 pillar strategy to be more relevant and agile to the new retail environment with exciting growth plans to maximise multiple opportunities together with protections and mitigation to protect the business from the potential risks ahead.

The full year performance of the group, with sales at £48.7m, down from £73.5m (restated) in the prior year, was dominated by the impact of Covid-19 on the business. The underlying EBITDA result of £2.8m was an improvement on the prior year result of £0.2m, with Covid-19 disrupting trading severely at the end of our financial year in FY20; during lockdown in March and April 2020 every cost in the business was scrutinised and for FY21 all non-essential spending was curbed; all supplier partners were engaged to reduce contractual obligations where possible; most capex projects were paused, except for our crucial web re-platform project; crucial government support including rates relief, the job retention scheme, and retail grants were utilised; our business interruption insurance policy paid out a sum of £2.5m to date; all of which mitigated the lower sales performance to a huge extent. During the pandemic we engaged with Wells Fargo Capital Finance to amend our banking covenants for the Covid-impacted period. The asset-backed revolving credit facility was successfully extended to March 2026 based on their confidence in our reaction to the Covid-19 shock, our tactics to emerge, and our robust plans for a digitally-led recovery and subsequent growth plan.

All non-essential retail in the U.K. was closed for circa 25 weeks in total during the period, including a crucial trading stretch from 5th November to 2nd December 2020. Our website continued to fulfil customer orders at record levels during the store closure periods; we accelerated our strategy to grow the business digitally by launching the Radley brand on Amazon with a carefully curated assortment suitable to this channel in both the U.K. and the USA during the Autumn of 2020; we expanded the range available to customers of some of our key partners in both the U.K. and the USA by directly fulfilling product range extensions with drop ship or similar arrangements. For the period digital direct to consumer business accounted for 45% of group sales.

In the bricks and mortar channels in the U.K., customers slowly returned to physical retail throughout the year. During March and April 2020 management had carried out a review of the U.K. store portfolio and identified those locations which would be unprofitable going forward based on projected sales in the period and beyond, assuming that Covid-19 would depress footfall for some time to come, and that more customers would shop on digital channels as a matter of course. Due to the fixed rent nature of the leases in our full price chain, situated in high streets and shopping malls, as well as the onerous business rates regime to which high street retail has been subject, only two stores out of seventeen were retained with a profitable outlook. The remaining 15 full price stores were closed during calendar 2020, either when leases expired or as lease surrenders were negotiated with landlords. None of these locations reopened their doors following the first U.K. lockdown ending June 2020. Two stores remained in Glasgow and Covent Garden. In our outlet channel, of 18 stores as at the end of the period, rents are turnover-based and in almost all cases, base rents and other tenancy costs were negotiated down or away during periods of enforced closure and the chain remained profitable for us; customers also favoured outdoor centres as they wanted to shop as safely as possible during the periods between lockdowns and their performance continues to be ahead of expectations. Our concession businesses also remained profitable during the period as most costs here are variable. Management do not consider the traditional like-for-like comparisons of trading helpful for this period; total U.K. bricks and mortar sales in the period were down to £13.2m (2020: £34.9m); of this reduction of £21.7m circa £7m was due to the permanent closure of unprofitable full price stores.

**STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 25 APRIL 2021**

Chief executive officer's statement (continued)

In the USA, our wholesale business recovered well with key partners and the sales for the region as a whole were actually ahead of the prior year at £9.3m (2020 restated: 7.2m), with a meaningful first season sales contribution from Amazon.com; during FY22 we continue to develop this direct channel positively and, importantly, in a complementary manner to our own digital business by way of range differentiation. Preparations were completed in the period for a May 2021 launch with a new Canadian partner, and integration work is in progress to launch extended product offerings with our existing key accounts during FY22; this digital/drop ship footprint forms a key element of plans to grow our share of the market rapidly.

Radley's strategy is clear and our recovery from Covid-19 is well under way. Our 5-point strategy underpins everything we do to increase the appeal of our brand, and at its heart is our beautiful product. The management team is focussed on the following priorities:

1. Elevation of our product offering and the marketing of this product, with environmental considerations at every turn, and demonstrable sustainability in all our sourcing
2. Increasing our direct-to-consumer mix globally, focussing on digital and off-price channels
3. Driving the USA as our number one international market in all channels
4. Creation of world class logistics capabilities to facilitate growth in the direct and digital channels
5. Continuous development of a highly engaged team within an agile Radley culture

The project to update our global websites to a modern digital platform is expected to go live during early calendar 2022; this project has faced some delays but the crucial nature of the successful upgrade of this route to market has led management's cautious delivery timings, and this will enable us to improve the customer journey and to showcase our expanding product ranges in a way that befits the brand as it develops. Other key investments planned include the replacement of our aging legacy systems with a single, flexible and modern core system to facilitate the significant growth in our direct and digital businesses, and to easily handle the complexities which accompany our growth plans. This is in parallel with further partner digital integrations in the U.K. and North American markets, key to showing the brand to more customers. Our operational and technical ambitions are being propelled by two new senior hires leading the Information Technology and Logistics functions.

At the time of writing we have recently opened two stores in the USA in high footfall malls in Las Vegas and in California, and early trading signs are very encouraging. If the performance of these stores continues to meet or exceed expectations, we will look to expand our retail footprint in the USA; this is key to acquiring customers and increasing brand exposure in our number one growth market, whilst also adding profitable growth. We are in advanced discussions with further partners to launch the Radley brand into new channels in North America.

In the U.K. we will continue to grow our direct-to-consumer mix, to increase our control of the brand and how it is presented and promoted to customers, and to be able to communicate directly with these customers. We are building a presence on the key digital platforms & marketplaces that our customers shop; this is a high growth segment of the retail market and we are ensuring we fully participate in it. We also continue our careful expansion and upsizing of our outlet footprint; this channel is important for profitability as well as the flexibility to clear stock in a controlled way.

In Asia, we are in discussions with a local distribution partner to take our China business forward, both on existing digital channels and into bricks and mortar. We are also launching with a new distributor in South Korea during FY22.

**STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 25 APRIL 2021**

Chief executive officer's statement (continued)

Sustainability is a core part of the way we do things at Radley; our new Radley Responsible range, made from recycled and recyclable materials has been very well received and is being expanded; we have launched a new supplier platform to manage compliance in all our ESG objectives throughout the supply chain; our carbon footprint is low by any industry benchmark and is actively being reduced year on year; we only purchase renewable electricity and we are offsetting all currently unavoidable CO2 emissions.

Trading during the first part of FY22 has been ahead of expectations, with sales up 47% in the first half versus the same period in the prior year. The business remains on an upward trajectory as customer confidence improves, with several strategic initiatives in place to deliver significantly improved EBITDA again in FY22, assuming no significant disruption from Covid-19 during the remainder of the year.

Principal risks and uncertainties

The key risk present in the retail climate remains the Covid-19 pandemic, and the speed of recovery and continuing growth in consumer confidence, and especially in our core U.K. market. Having successfully managed through 18 months of restrictions to date, we are well placed to handle any disruption that does occur going forward. In addition the effects of Brexit are still unfolding in the U.K. and its effect on inflation and consumer spending is unclear; at the same time our level of exposure to trade with the EU is relatively small. Global supply chains are disrupted during 2021 through shortages of containers and port closures, and this has increased the cost of freight significantly; this has an impact on intake margins and we are managing and monitoring this carefully.

Coronavirus and the Covid-19 pandemic

At the time of writing vaccination programmes across developed countries have reduced levels of severe illness and hospitalisation from Covid-19, and this will reduce the likelihood of future lockdowns in our key markets. Other markets globally are still suffering high levels of Covid-19 infections, and therefore the ultimate impact of the Coronavirus pandemic is not yet clear.

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in exchange rates, credit risk and liquidity risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of currency exposure and the related finance costs.

Exchange rate risk

The company has limited exposure to exchange rate risk as retail stores and concessions are all in the United Kingdom.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made.

Liquidity risk

The company actively maintains a mixture of long term and short-term debt finance that is designed to ensure the company has sufficient available funds for operations and planned expansions. On 26th October 2021 the group signed an extension to its revolving credit facility with Wells Fargo Capital Finance through to 31st March 2026.

**STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 25 APRIL 2021**

Directors' statement of compliance with duty to promote the success of the Company

The directors of Radley Retail Limited consider, both individually and together, that they have acted in a way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in S172(1) (a-e) of the Act) in the decisions taken in the period to 25th April 2021.

Likely consequences of any decisions in the long term

The Board delegates day-to-day management and decision making to its senior management team, but maintains oversight of the company's performance, and reserves to itself specific matters for approval, including significant new strategic initiatives and major decisions relating to capital raising and allocation. Through regular updates from senior management and measurement against long-term objectives, the Board monitors that management is acting in accordance with its agreed strategy and the long-term interest of key stakeholders.

The interest of the company's employees

Our colleagues are fundamental to the delivery of our plan. The company and group are committed to being a responsible business. Our behaviour is aligned with the expectations of our people, customers, investors, communities and society. People are at the heart of our brand, and for our business to succeed we need to manage our people's performance and develop and bring through talent. We conduct and act on regular employee surveys and engage regularly with our colleagues at all levels of the business, through our Intranet, through blogs and vlogs, and through company-wide briefings on performance and strategy either in person or streamed. This helps to ensure that we achieve our goals in the right way and for the whole Radley community to feel connected to one another and to hold trust in one another. This has proved especially important and valuable during the Covid-19 lockdown periods. As we return to the offices after Covid-19 restrictions are eased, we have implemented hybrid ways of working to enhance flexibility for colleagues and help them to improve their work-life balance, all while ensuring that face to face working forms a crucial part of developing the business at pace.

The need to foster the company's business relationships

Relationships with our suppliers are of special importance and our design, product development and merchandising teams work very closely and collaboratively with our merchandise suppliers, many of whom consider Radley an important part of their business. A priority for us is also to approach our relationships with our customers in a strategic manner, whilst also protecting and advancing the commercial interests of the company.

The desirability of the company maintaining a reputation for high standards of business conduct

The reputation of the company is fundamental to its long-term success and the directors are committed to supporting this through adhering to laws and regulations, conducting business in a socially and environmentally responsible way, and treating all stakeholders with honesty and integrity. This aligns with the Environmental, Social and Governance principles of the group. The group's majority investor also prioritises ESG across their portfolio and the group benefits from their ongoing support in this area.

The impact of the company's operations on the community and the environment

The company is conscious of both its social and environmental impact. The directors seek opportunities to limit the environmental footprint of the operations of the group wherever this is practically and commercially feasible. The group purchases clean renewable electricity and offsets its residual CO2 emissions while they are unavoidable.

RADLEY RETAIL LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 25 APRIL 2021**

Directors' statement of compliance with duty to promote the success of the Company (continued)

Need to act fairly between members of the company

As the Board of Directors, our intention is to behave responsibly toward our shareholders and treat them equally so they can benefit from the successful delivery of our plan. Key financial and strategic decisions are made with our major shareholders in mind and with their support. Policies are in place to guide behaviours in the areas of bribery and corruption, equality and diversity, bullying and harassment, and whistleblowing, and the directors believe that these policies are robust and culturally embedded.

This report was approved by the board and signed on its behalf by:


Justin Stead (Nov 29, 2021 12:05 GMT)

J Stead
Director

Date: 29 November 2021

RADLEY RETAIL LIMITED

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 25 APRIL 2021**

The directors present their report and the audited financial statements for the 52 week period ended 25 April 2021.

The registered number of Radley Retail Limited is 02572572.

Results and dividends

The profit for the period, after taxation, amounted to £1,260,492 (2020: loss of £1,625,804).

The directors do not recommend the payment of a dividend for the period (2020: £23,100,000).

Directors

The directors who served during the year and up to the date of this report were:

N Cooper
J Stead
N Vance

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 25 APRIL 2021**

Going concern

The company's business activities together with the factors likely to affect its future development, its financial position, financial risk management objectives, details of its financial instruments and derivative activities, and its exposures to credit and liquidity risk are described in the Strategic Report. The company is part of a wider group with access to bank facilities. Potential sources of uncertainty noted by the directors include the Covid-19 pandemic, global freight issues and the effects of Brexit on the U.K. economy.

In assessing going concern management have analysed the group's financial position and run several scenarios in a detailed monthly financial model for the going concern period up to 30 April 2023: i) base case / current forecast, ii) a 5% downside sensitivity, and iii) a 30% severe downside in sales.

The group has bank facilities available from its asset-backed lending facility with Wells Fargo through to its expiry at the end of March 2026 (see note 17). The group continues to manage its working capital position through long-term relationships and long-running contracts with a number of customers and suppliers across different geographic areas and routes to market.

The directors have considered the group's ability to comply with the covenants set out in the Wells Fargo facility and have concluded that in all of the three scenarios noted above that they have a reasonable expectation that the group will be able to operate within these covenants.

All of the trading outcomes above are supported by liquidity available from the group's Wells Fargo facility which has been recently extended to March 2026, and the covenants agreed with the bank accommodate this range of outcomes.

The severe downside scenario is based on a set of sales assumptions which management believe, based on experience to date through the pandemic period, is unlikely to materialise because it represents a 30% reduction compared to forecasts, the likelihood of which the Directors consider to be remote. Further cost and capex mitigations are available over and above this forecast scenario and would also be invoked if necessary to ensure compliance with bank covenants.

The company has received a letter of support from its ultimate parent company, Laddie Topco Limited, stating it will continue to provide financial support to the company and will provide sufficient funds to the company for these purposes until 30 April 2023.

Given the above, the Directors are confident that the group has adequate resources and the ability to implement the mitigations, if required, to enable it to continue in operational existence for the going concern period from the date of signing these accounts and therefore these accounts have been prepared on a going concern basis.

Employee involvement

The company is committed to involve all employees in the performance and development of the company. Employees are encouraged to discuss with management matters of interest to the employee and subjects affecting day to day operations of the company.

RADLEY RETAIL LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 25 APRIL 2021**

Disabled employees

It is the company's policy to give full consideration to suitable applications for employment by disabled persons.

Disabled employees are eligible to participate in all career development opportunities available to staff. Opportunities also exist for employees of the company who become disabled to continue.

Matters covered in the strategic report

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the strategic report on pages 1 to 7. These matters relate to the business review, future developments and principal risks and uncertainties.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Post balance sheet events

The group has renewed and extended its asset backed lending facility with Wells Fargo Capital Finance on 26th October 2021. The amended facility, extended to March 2026, provides additional liquidity and revised covenants to support the business as it moves forward.

Independent Auditors

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf by:


Justin Stead is an FRC Registered Director

J Stead
Director

Date: 29 November 2021

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 25 APRIL 2021**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RADLEY RETAIL LIMITED FOR THE PERIOD ENDED 25 APRIL 2021

Opinion

We have audited the financial statements of Radley Retail Limited (the "Company") for the 52 week period ended 25 April 2021 which comprise of the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 26, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 25 April 2021 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period of 17 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RADLEY RETAIL LIMITED FOR THE PERIOD ENDED 25 APRIL 2021 (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 11, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are Companies Act 2006, the reporting framework FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (the Companies Act 2006), Bribery Act 2010, Money Laundering Regulations 2017 and UK Tax Legislation;

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RADLEY RETAIL LIMITED FOR THE PERIOD ENDED 25 APRIL 2021 (CONTINUED)

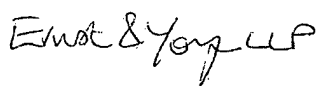
Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

- We understood how the Company is complying with those frameworks by making and corroborating enquiries of management and those charged with governance to understand how the Company maintains and communicates its policies and procedures in these areas. We corroborated our enquiries through review of the following documentation or performance of the following procedures:
 - Obtaining an understanding of entity-level controls and considering the influence of the control environment;
 - Obtaining an understanding of policies and procedures in place regarding compliance with laws and regulations, including how compliance with such policies is monitored and enforced; obtaining an understanding of management's process for identifying and responding to fraud risks, including programs and controls established to address risks identified or otherwise prevent, deter and detect fraud and how senior management monitors those programs and controls; and
 - Review of board meeting minutes in the period and to the date of signing.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by discussion within the audit team which included:
 - Identification of related parties, including circumstances related to the existence of a related party with dominant influence;
 - Understanding the company's business and entity-level controls and considering the influence of the control environment; and
 - Considering the nature of the account and our assessment of inherent risk for relevant assertions of significant accounts.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved testing of journal entries, with focus on manual journals, large or unusual transactions, or journals meeting our defined risk criteria based on our understanding of the business; reviewing accounting estimates for evidence of management bias; enquiring of members of senior management and those charged with governance regarding their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements; and inspecting correspondence, if any, with the relevant licensing or regulatory authorities.

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

Use of our report

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



Michael Kidd (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast
30 November 2021

RADLEY RETAIL LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 25 APRIL 2021**

	Note	52 week period ended 25 April 2021 £'000	52 week period ended 26 April 2020 £'000
Turnover	3	13,175,986	34,840,839
Cost of sales		(5,292,714)	(15,864,170)
Gross profit		7,883,272	18,976,669
Distribution costs		(151,681)	(581,864)
Administrative expenses		(8,269,380)	(19,160,976)
Other operating income	4	1,619,559	528,915
Non-recurring items	5	(15,348)	(1,397,289)
Operating profit/ (loss)	6	1,066,422	(1,634,545)
Interest receivable and similar income	10	91,867	313,176
Profit/ (loss) before tax		1,158,289	(1,321,369)
Tax credit/ (charge)	11	102,203	(304,435)
Profit/ (loss) for the financial period		1,260,492	(1,625,804)
Other comprehensive income		-	-
Total comprehensive income/ (loss) for the period		1,260,492	(1,625,804)

The notes on pages 18 to 34 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 25 APRIL 2021

	Note	25 April 2021 £	26 April 2020 £
Fixed assets			
Tangible assets	13	1,754,415	1,794,276
		<u>1,754,415</u>	<u>1,794,276</u>
Current assets			
Stocks	14	2,948,132	6,228,364
Debtors: amounts falling due after more than one year	15	680,751	-
Debtors: amounts falling due within one year	15	1,463,550	689,324
Cash at bank and in hand		485,488	911,264
		<u>5,577,921</u>	<u>7,828,952</u>
Creditors: amounts falling due within one year	16	(8,193,215)	(10,486,494)
Net current liabilities		<u>(2,615,294)</u>	<u>(2,657,542)</u>
Total assets less current liabilities		<u>(860,879)</u>	<u>(863,266)</u>
Creditors: amounts falling due after more than one year	17	-	(105,797)
Provisions for liabilities			
Other provisions	19	(277,000)	(1,429,308)
		<u>(277,000)</u>	<u>(1,429,308)</u>
Net liabilities		<u>(1,137,879)</u>	<u>(2,398,371)</u>
Capital and reserves			
Called up share capital	20	10,000	10,000
Profit and loss account	21	(1,147,879)	(2,408,371)
Total shareholders' deficit		<u>(1,137,879)</u>	<u>(2,398,371)</u>

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

Justin Stead
Justin Stead (over 21, 2021, 15086 0011)

J Stead
Director

Date: 29 November 2021

The notes on pages 18 to 34 form part of these financial statements.

RADLEY RETAIL LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 25 APRIL 2021**

	Called up share capital £	Profit and loss account £	Total shareholders' (deficit)/funds £
At 28 April 2019	10,000	22,317,433	22,327,433
Comprehensive loss for the period			
Loss for the period	-	(1,625,804)	(1,625,804)
Total comprehensive loss for the period	-	(1,625,804)	(1,625,804)
Dividends paid	-	(23,100,000)	(23,100,000)
At 26 April 2020	10,000	(2,408,371)	(2,398,371)
Comprehensive income for the period			
Profit for the period	-	1,260,492	1,260,492
Total comprehensive income for the period	-	1,260,492	1,260,492
At 25 April 2021	10,000	(1,147,879)	(1,137,879)

The notes on pages 18 to 34 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 APRIL 2021**

1. General information

Radley Retail Limited is a private company limited by shares and is registered and incorporated in England and Wales. The address of the company's registered office is Unit 1B, Etheridge Avenue, Brinklow, Milton Keynes, MK10 0BP.

The financial statements have been presented in Pounds Sterling as this is the currency of the primary economic environment in which the company operates and are rounded to the nearest pound.

The financial statements of the company for the period to 25 April 2021 were approved for issue by the Board of Directors on 29 November 2021. The financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows, on the basis that it is a qualifying entity and its ultimate parent company, Laddie Topco Limited, includes the company's cash flow in its own consolidated financial statements;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d), on the basis that it is a qualifying entity and its ultimate parent company, Laddie Topco Limited, includes the company's cash flow in its own consolidated financial statements;
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c), as the information is provided in the consolidated financial statements of Laddie Topco Limited;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A, as the information is provided in the consolidated financial statements of Laddie Topco Limited;
- the requirements of Section 33 Related Party Disclosures paragraphs 33.1A and 33.7 as at 25 April 2021 it was a wholly owned subsidiary.

This information is included in the consolidated financial statements of Laddie Topco Limited as at 25 April 2021 and these financial statements may be obtained from Unit 1B, Etheridge Avenue, Brinklow, Milton Keynes, MK10 0BP.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 APRIL 2021

2. Accounting policies (continued)

2.3 Going concern

The company's business activities together with the factors likely to affect its future development, its financial position, financial risk management objectives, details of its financial instruments and derivative activities, and its exposures to credit and liquidity risk are described in the Strategic Report. The company is part of a wider group with access to bank facilities. Potential sources of uncertainty noted by the directors include the Covid-19 pandemic, global freight issues and the effects of Brexit on the U.K. economy.

In assessing going concern management have analysed the group's financial position and run several scenarios in a detailed monthly financial model for the going concern period up to 30 April 2023: i) base case / current forecast, ii) a 5% downside sensitivity, and iii) a 30% severe downside in sales.

The group has bank facilities available from its asset-backed lending facility with Wells Fargo through to its expiry at the end of March 2026 (see note 17). The group continues to manage its working capital position through long-term relationships and long-running contracts with a number of customers and suppliers across different geographic areas and routes to market.

The directors have considered the group's ability to comply with the covenants set out in the Wells Fargo facility and have concluded that in all of the three scenarios noted above that they have a reasonable expectation that the group will be able to operate within these covenants.

All of the trading outcomes above are supported by liquidity available from the group's Wells Fargo facility which has been recently extended to March 2026, and the covenants agreed with the bank accommodate this range of outcomes.

The severe downside scenario is based on a set of sales assumptions which management believe, based on experience to date through the pandemic period, is unlikely to materialise because it represents a 30% reduction compared to forecasts, the likelihood of which the Directors consider to be remote. Further cost and capex mitigations are available over and above this forecast scenario and would also be invoked if necessary to ensure compliance with bank covenants.

The company has received a letter of support from its ultimate parent company, Laddie Topco Limited, stating it will continue to provide financial support to the company and will provide sufficient funds to the company for these purposes until 30 April 2023.

Given the above, the Directors are confident that the group has adequate resources and the ability to implement the mitigations, if required, to enable it to continue in operational existence for the going concern period from the date of signing these accounts and therefore these accounts have been prepared on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 APRIL 2021

2. Accounting policies (continued)

2.4 Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for turnovers and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Judgements

Operating lease commitments

The company has entered into leases for the use of property. The classification of such leases as operating or finance lease requires the company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly how the lease shall be accounted for in the financial statements.

The following are the company's key sources of estimation uncertainty:

Taxation

The company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

Dilapidations provision

The company is required to make provision for dilapidations. This requires management to estimate the expenditure that will be incurred based on contractual requirements, in addition to estimating the timing of these outflows. Management use historical experience of actual expenditure incurred on dilapidations in calculating the provision.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 APRIL 2021

2. Accounting policies (continued)

2.5 Significant accounting policies

Impairment of non-financial assets

The company assesses at each reporting date whether an asset may be impaired. If any such indication exists the company estimates recoverable amount of the asset. If it is not possible to estimate the recoverable amount of the individual asset, the company estimates, the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount of an asset or cash generating unit is the higher of its fair value less costs to sell and its value in use. If the recoverable amount is less than its carrying amount, the carrying amount of the asset is impaired and it is reduced to its recoverable amount through impairment in profit and loss. An impairment loss recognised for all assets, excluding goodwill, is reversed in a subsequent period if and only if the reasons for the impairment loss have ceased to apply.

Tangible assets

Tangible assets are stated at cost less depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold property	–	over the period of the lease
Plant and machinery	–	20% - 33% straight-line
Fixtures and fittings	–	15% straight-line

The carrying values of tangible assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively. Impairment losses are recognised in the income statement as incurred.

An item of tangible fixed assets is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the derecognition of the asset is included in the income statement in the period of derecognition

Turnover

Turnover comprises turnover recognised by the company in respect of goods and services supplied during the period, exclusive of Value Added Tax and trade discounts.

(i) Sale of goods

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on despatch), the amount of turnover can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 APRIL 2021

2. Accounting policies (continued)

Financial Instruments

Short term debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Amounts owed to group undertakings which are classified as basic financial instruments are initially recorded at the present value of future payments discounted at a market rate of interest for a similar loan. Subsequently, they are measured at amortised cost using the effective interest method. Amounts owed to group undertakings that are payable within one year are not discounted.

(i) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the statement of financial position date.

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the statement of financial position date.

The carrying amount of deferred income tax assets is reviewed at each statement of financial position date. Deferred income tax assets and liabilities are offset, only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

Foreign currencies

The company's functional and presentation currency is the sterling (£). Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position date. All differences are taken to the income statement.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 APRIL 2021

2. Accounting policies (continued)

Leasing and hire purchase

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company and hire purchase contracts are capitalised in the statement of financial position and are depreciated over the shorter of the lease term and the asset's useful life. A corresponding liability is recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments in the statement of financial position. Lease payments are apportioned between the reduction of the lease liability and finance charges in the statement of comprehensive income so as to achieve a constant rate of interest on the remaining balance of the liability.

Operating leases

Rentals payable under operating leases are charged in the statement of comprehensive income on a straight line basis over the lease term. Lease incentives are recognised over the lease term on a straight line basis.

Operating lease incentives

Lease incentives, including rent free periods and fit-out contributions, are credited to the income statement on a straight line basis over the remaining lease period.

Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Finance income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

Non-recurring items

The company presents those items which, because of their size, nature or expected infrequency of events giving rise to them, merit separate presentation to allow the users of the financial statements to understand better the company's financial performance in the period. Examples of items that may give rise to disclosure as non-recurring items include:

- Impairments of intangible assets or property, plant and equipment as well as the reversal of such write downs or impairments;
- Restructuring provisions or their reversal including redundancy and severance costs, lease surrender costs or similar contract cancellation costs;
- Profits or losses arising from the disposal of items of property, plant and equipment and intangible assets; and

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 APRIL 2021**

2. Accounting policies (continued)*Non-recurring items (continued)*

Where these non-recurring items are material in size and nature to the performance of the company in the period, they are disclosed on a separate line in the Statement of Comprehensive Income.

Government grants

Government grants are recognised when it is reasonable to assume that the grants will be received and that all related conditions will be met, usually on the submission of a valid claim.

The company has taken advantage of a number of government grants as shown in Note 4. This has been accounted for as a government grant under the accruals model as permitted by FRS 102. Grants relating to expenditure on wages and salaries are credited to the Statement of Comprehensive Income at the same rate as the wages and salaries to which the grant relates, are paid by the company. Any deferred element of the grant is included in creditors as deferred income.

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.

3. Turnover

The turnover and operating profit for the period was derived from the company's principal continuing activity.

Analysis of turnover by country of destination:

	52 week period ended 25 April 2021 £	52 week period ended 26 April 2020 £
United Kingdom	13,175,986	34,840,839
	<hr/> 13,175,986	<hr/> 34,840,839

4. Other operating income

	52 week period ended 25 April 2021 £	52 week period ended 26 April 2020 £
Coronavirus Job Retention Scheme	1,210,375	203,899
Retail, Hospitality and Leisure Grants	386,625	275,000
Other	22,559	50,016
	<hr/> 1,619,559	<hr/> 528,915

RADLEY RETAIL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 APRIL 2021**

5. Non-recurring items

	52 week period ended 25 April 2021 £	52 week period ended 26 April 2020 £
Costs and provision associated with closure of loss making stores	(114,642)	703,308
Losses on impairment and disposal of tangible assets associated with store closures	8,005	657,898
Severance payments	121,985	36,083
	<u>15,348</u>	<u>1,397,289</u>

2021

Costs associated with closing loss-making stores in the United Kingdom includes legal fees associated with closures and income in relation to the acceleration of lease incentive amortisation.

Severance payments were made in relation to store closures during the year.

2020

Non-recurring items relate to the costs associated with closure of loss-making stores in the United Kingdom.

Losses on disposal and impairment of tangible assets associated with store closures relates to the write off of fixture and fittings and other leasehold improvements on stores closed in 2020 or that have closed in 2021.

6. Operating profit/ (loss)

The operating profit/ (loss) is stated after charging/(crediting):

	52 week period ended 25 April 2021 £	52 week period ended 26 April 2020 £
Depreciation of tangible assets owned by the company	577,796	695,905
Operating lease rentals - plant and machinery	5,736	19,298
Operating lease rentals - other operating leases	364,260	3,462,604
Foreign exchange	11,500	-

7. Auditors' remuneration

Audit fees for the company are borne by another group company in both the current and prior period.

RADLEY RETAIL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 APRIL 2021**

8. Staff costs

Staff costs, including directors' remuneration, were as follows:

	52 week period ended 25 April 2021 £	52 week period ended 26 April 2020 £
Wages and salaries	2,414,625	4,003,918
Social security costs	122,046	216,887
Other pension costs	35,240	54,031
	<u>2,571,911</u>	<u>4,274,836</u>

The average monthly number of employees, including the directors, during the year was as follows:

	52 week period ended 25 April 2021 No.	52 week period ended 26 April 2020 No.
Selling and distribution	237	353

9. Directors' remuneration

	52 week period ended 25 April 2021 £	52 week period ended 26 April 2020 £
Directors' emoluments	246,028	225,382
Directors pension costs	8,599	8,961
	<u>254,627</u>	<u>234,343</u>

During the year retirement benefits were accruing to 3 directors (2020: 3) in respect of defined contribution pension schemes.

The directors of the company, who are also directors of other subsidiary undertakings of Laddie Topco Limited, received total remuneration including pension contributions of £254,627 (2020: £234,343) in respect of qualifying services for Radley Retail Limited. In addition, two directors (2020: two directors) of the company were paid £120,000 (2020: £100,000) in respect of qualifying services for this and other group companies but it is impractical to do an allocation.

The remuneration including pension contributions paid in respect of the highest paid director amounted to £121,299 (2020: £118,818).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 APRIL 2021

10. Interest receivable and similar income

	52 week period ended 25 April 2021 £	52 week period ended 26 April 2020 £
Bank interest received	91,867	313,176
	<u>91,867</u>	<u>313,176</u>

11. Taxation

	52 week period ended 25 April 2021 £	52 week period ended 26 April 2020 £
Corporation tax		
Current tax on profit/ (loss) for the period	126,337	-
Adjustments in respect of previous periods	(27,644)	121,290
Total current tax	<u>98,693</u>	<u>121,290</u>
Deferred tax		
Origination and reversal of temporary differences in the current period	119,558	(64,528)
Adjustments in respect of prior periods	(34,442)	(15,025)
Effect of rate change	-	(23,314)
Movement in deferred tax asset	(286,012)	286,012
Total deferred tax	<u>(200,896)</u>	<u>183,145</u>
Tax (credit)/ charge	<u>(102,203)</u>	<u>304,435</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 APRIL 2021**

11. Taxation (continued)**Factors affecting tax charge for the period**

The tax assessed for the period is lower than (2020: higher than) the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%). The differences are explained below:

	52 week period ended 25 April 2021 £	52 week period ended 26 April 2020 £
Profit/ (loss) before tax	1,158,289	(1,321,369)
Profit/ (loss) multiplied by standard rate of corporation tax in the UK of 19.00% (2020:19.00%)	220,075	(251,060)
Effects of:		
Disallowed expenses and non-taxable income	72,715	188,913
Effect of rate change	-	(23,314)
Group relief received	(46,895)	(2,381)
Adjustments to tax charge in respect of prior years	(62,086)	106,265
Movement in deferred tax asset	(286,012)	286,012
Total tax (credit)/charge for the period	(102,203)	304,435

The movement in deferred tax asset in the prior year related to the derecognition of deferred tax assets as the recoverability against future taxable profits was considered uncertain. In the current year management have reassessed these assets for recoverability and based on latest forecasts deem their recovery to be probable against future taxable profits.

Factors that may affect future tax charges

Current and deferred tax have been calculated using standard rates of corporation tax in the UK being the prevalent rates of corporation tax. The 2021 UK budget announced an increase in main rate of UK corporation tax to 25% from 1 April 2023. This new law was substantive enacted post period end on 24 May 2021 and therefore the UK deferred tax has been calculated at 19% at the end of the period.

12. Dividends

	2021 £	2020 £
Dividends paid (2020: £2,310 per share)	-	23,100,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 APRIL 2021

13. Tangible assets

	Long-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Total £
Cost				
At 26 April 2020	3,283,245	225,552	5,721,589	9,230,386
Additions	36,683	-	509,257	545,940
Disposals	(1,661,093)	-	(2,379,923)	(4,041,016)
At 25 April 2021	1,658,835	225,552	3,850,923	5,735,310
Depreciation				
At 26 April 2020	3,059,463	217,689	4,158,958	7,436,110
Charge for the period	105,582	4,506	467,708	577,796
Disposals	(1,653,088)	-	(2,379,923)	(4,033,011)
At 25 April 2021	1,511,957	222,195	2,246,743	3,980,895
Net book value				
At 25 April 2021	146,878	3,357	1,604,180	1,754,415
At 26 April 2020	223,782	7,863	1,562,631	1,794,276

In the prior year as a result of the group's decision to close certain stores an impairment charge in respect of leasehold improvements and fixtures and fittings has been recognised in the income statement (see note 5).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 APRIL 2021

14. Stocks

	25 April 2021 £	26 April 2020 £
Finished goods and goods for resale	2,948,132	6,228,364
	<hr/> 2,948,132	<hr/> 6,228,364

The difference between purchase price or production cost of stock and their replacement cost is not material.

Included within finished goods and goods for resale is a stock provision of £76,625 (2020: £43,746). Stocks recognised as an expense in the period were £5,292,714 (2020: £15,864,170).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 APRIL 2021

15. Debtors

	25 April 2021 £	26 April 2020 £
Due after more than one year		
Revolving credit facility	680,751	-
	<u>680,751</u>	<u>-</u>
	25 April 2021 £	26 April 2020 £
Due within one year		
Trade debtors	609,644	259,394
Amounts owed by Group Undertakings	200,385	-
Other debtors	100,000	255,000
Prepayments and accrued income	352,625	174,930
Deferred taxation (note 18)	200,896	-
	<u>1,463,550</u>	<u>689,324</u>

Trade debtors are stated less a provision for impairment of £37,914 (2020: £24,808).

The long term revolving debtor balance of £681k (2020: creditor of £106k) represents drawings net of repayments made to the group's facility provided by Wells Fargo Capital Finance, to the loan account in the name of Radley Retail Limited. At the balance sheet date, the net group indebtedness in respect of this facility is £5,683k (2020: £9,610k) of which £5,894k (2020: £9,504k) is a long term creditor in Radley + Co Limited and £470k is a long term creditor in Radley USA LLC (2020: £nil).

16. Creditors: Amounts falling due within one year

	25 April 2021 £	26 April 2020 £
Trade creditors	444,476	198,458
Amounts owed to group undertakings	6,437,120	8,367,783
Corporation tax	98,034	473,756
Other taxation and social security	-	500
Other creditors	310,402	664,445
Accruals and deferred income	903,183	781,552
	<u>8,193,215</u>	<u>10,486,494</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 25 APRIL 2021

17. Creditors: Amounts falling due after more than one year

	25 April 2021 £	26 April 2020 £
Revolving credit facility	-	105,797
	-	105,797

The long term revolving credit balance of £nil (2020: creditor of £106k) represents drawings net of repayments made to the group's facility provided by Wells Fargo Capital Finance, to the loan account in the name of Radley Retail Limited. At the balance sheet date, the net group indebtedness in respect of this facility is £5,683k (2020: £9,610k) of which £5,894k (2020: £9,504k) is a long term creditor in Radley + Co Limited and £470k is a long term creditor in Radley USA LLC (2020: £nil). On 26th October 2021 the group renewed and extended its asset backed lending facility with Wells Fargo Capital Finance to March 2026.

18. Deferred taxation

	25 April 2021 £
At beginning of year	-
Credited to statement of comprehensive income	200,896
At end of year	200,896

The deferred tax asset is made up as follows:

	25 April 2021 £	26 April 2020 £
Accelerated capital allowances	123,076	-
Short term timing differences	77,820	-
	200,896	-

The deferred tax asset has been recognised on the basis it will reverse in the future against expected profit.

19. Provisions

	Onerous lease £	Dilapidation provision £	Total £
At 26 April 2020	1,003,308	426,000	1,429,308
Charged to statement of comprehensive income	-	67,000	67,000
Utilisation of provision	(1,003,308)	(216,000)	(1,219,308)
At 25 April 2021	-	277,000	277,000

Dilapidations provision relates to the estimated obligation under leases for reinstatement works or repairs required to be carried out at the end of the lease charged to profit and loss as the obligation arises.

Onerous lease provisions relate to provisions recognised in respect of loss making stores. The Directors negotiated the surrender of a number of full price stores during the year and have utilised this provision in full.

**NOTES TO THE FINANCIAL STATEMENTS
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20. Share capital

	25 April 2021 £	26 April 2020 £
Allotted, called up and fully paid		
10,000 (2020: 10,000) Ordinary shares of £1.00 (2020: £1.00) each	10,000	10,000

There is a single class of ordinary shares. Each share carries one voting right per share but no right to fixed income.

21. Reserves**Profit and loss account**

Profit and loss account represents the distributable reserves of the company.

22. Related party transactions

The company has taken advantage of the exemption granted by FRS 102 section 33 "Related party disclosures" not to disclose related party transactions with other wholly owned group companies.

23. Post balance sheet events

The group has renewed and extended its asset backed lending facility with Wells Fargo Capital Finance on 26th October 2021. The amended facility, extended to March 2026, provides additional liquidity and revised covenants to support the business as it moves forward.

24. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pensions cost charge represents contributions payable by the company to the fund and amount to £35,240 (2020: £54,031). Contribution totalling £nil (2020: £nil) were payable to the fund at the reporting date and included in creditors.

RADLEY RETAIL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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25. Commitments under operating leases

At 25 April 2021 the company had future minimum lease payments under non-cancellable operating leases as follows:

	25 April 2021 £	26 April 2020 £
Land and buildings		
Not later than 1 year	1,747,814	2,215,496
Later than 1 year and not later than 5 years	3,579,506	5,066,332
Later than 5 years	688,366	670,267
	<hr/> 6,015,686	<hr/> 7,952,095

26. Controlling party

The company's immediate parent undertaking is Radley + Co. Limited, a company incorporated in the United Kingdom. The company's financial statements are consolidated in the ultimate parent entity Laddie Topco Limited. Its group financial statements are the largest and smallest financial statements which include the company. The consolidated financial statements of Laddie Topco Limited are available from Unit 1B, Etheridge Avenue, Brinklow, Milton Keynes, MK10 0BP. The ultimate controlling party of the Radley Group is Freshstream I L.P.