Radley + Co. Limited

Registered number: 02573819

Annual Report

For the 52 week period ended 23 April 2022

COMPANY INFORMATION

Directors	N Cooper J Stead N Vance
Registered number	02573819
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	Willkie Farr & Gallagher (UK) LLP CityPoint, 1 Ropemaker Street, London EC2Y 9AW

CONTENTS

STRATEGIC REPORT
FOR THE 52 WEEK PERIOD ENDED 23 APRIL 2022

Introduction

The directors present their strategic report and the audited financial statements for the 52 weeks ended 23 April 2022.

Business review

The Radley group, headed by Laddie Topco Limited, offers multi-channel distribution of its leading British affordable, luxury accessory brand, Radley London. All trading entities are wholly owned by the group. Radley + Co Limited manages the group's U.K., European and Asian wholesale distribution with partners across major digital marketplaces and online platforms, leading department stores and selected independent retailers. Additionally, a global eCommerce platform fulfilled customer purchases in 39 countries around the world. This company's sales were 19% higher than the previous year and provided 41% of all external group sales (2021: 54% with strength in Ecommerce during Covid-19 lockdown periods). Radley Retail Limited operates our bricks and mortar distribution in the U.K. and sales grew 135% year over year with strong recovery from stores in the post Covid-19 period. In the year it contributed 41% (2021: 27%) of all external group sales.

Radley USA LLC, a wholly-owned subsidiary of Radley+Co Limited, manages sales and distribution to our North American customers, via wholesale distribution, digital commerce and bricks and mortar routes to market. This company provided 17% of all external group sales (2021: 16%), a year on year improvement of 58% in sales terms which was not materially due to prior year Covid-19 restrictions but rather growth in market penetration through digital and other direct channels. The USA remains the group's key strategic growth market.

Radley Netherlands B.V. operates at present one store in the Netherlands and contributed 0.3% of external group sales (2021: 0%). Radley China Limited operated via digital platforms in China and contributed 1% (2021: 3%) of all external group sales. During the year this business was migrated to a distribution partner arrangement, and group sales to this partner are reported in Radley + Co Limited.

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:

Group EBITDA (before non-recurring items)	**52 week period ended 23 April 2022**	**52 week period ended 25 April 2021**
	£'000	**£'000**
Radley Retail Limited	5,144	1,659
Radley + Co Limited	(1,260)	2,062
Radley Japan KK	(79)	(152)
Radley China Limited	(412)	(759)
Radley USA LLC	731	231
Radley Netherlands B.V*	42	(132)
Radley Outlets Limited*	14	(6)
Holding companies and consolidation adjustments	975	(315)
Group total	5,155	2,588
Underlying EBITDA (excluding Radley Japan KK and Japan related consolidation adjustments)	5,264	2,783

	52 week period ended 23 April 2022	52 week period ended 25 April 2021
Company Statutory measures	**£'000**	**£'000**
Turnover	47,524	38,657
Operating (loss)/ profit before non-recurring items	(2,814)	997

Chief executive officer's statement

Justin Stead, Radley group CEO, said:

The accounts finalised to 23 April 2022 demonstrated the group's robust emergence and recovery from the pandemic, with underlying EBITDA of £5.3m, up from £2.8m in FY21. Since the full reopening of UK retail from April 2021, the Radley brand was able to leverage a more profitable U.K. store portfolio, reshaped during the pandemic, and importantly an enhanced digital offering both direct to the consumer and through our retail partners. Our rapidly expanding USA business forged ahead, with region sales up 54%, through new drop ship channels, our first stores, and improved web sales on radleylondon.com.

The full year performance of the group, with sales at £75.7m, up from £48.7m in the prior year, was delivered by a strong return to trading across all channels in the U.K, especially in our direct channels, and in the U.S.A. by increased market penetration from our developing direct to consumer footprint.

Our strategy remains firm and based on six core pillars: intensifying our passion for customers through greater insights, aggressive new acquisition, and significant customer engagement; the elevation of the Radley brand through significantly enhanced product and marketing, which is driving gross margin; digital and direct to consumer (DTC) focus so that we can control range, brand messaging and presentation, and price; rapid growth of our business in the USA, where the market opportunity is significant and where the customer loves our product when she encounters it; the development of world class operations so that we can deliver on our brand promises and leverage our organisation as we grow; and the unwavering commitment to pressing ahead with our ESG initiatives as a proud custodian of our planet and our people.

Our focus on elevating the brand is yielding more and more aspirational products, with higher quality raw materials, attention to detail in design and craftmanship as well as enhancement in componentry. This helped us increase our full price sales as our customers respond to the improving quality at great value. As a result of this elevation, our total gross profit margin grew by almost 500 basis points, and increased in every material channel.

In the U.K., demonstrating our sharp focus on digital channels, our Amazon business quadrupled versus the prior year. Our own website, whilst down on FY21, when customers could only shop from home much of the year, was ahead 14% on the last pre-pandemic year (FY19), and our web concession partnership with John Lewis was well ahead of both FY21 (+16%) and FY19 (+42%). Our U.K. stores rebounded strongly, up 183% on FY21, as did our off-price concessions which grew 145% year on year. Our wholesale partner business in the U.K. recovered well and was ahead 65% on the prior year. In addition, the travel retail sector started to emerge from the pandemic well during FY22 and we started shipping to our key partners again in the year.

Our global DTC strategy is progressing well and this segment of Radley's business now accounts for 69% of our global sales, up from 65% in FY21, and 59% in FY19. Particularly important to the growth of this channel is our digitally focussed drop ship strategy, with expansion into a number of drop ship partner arrangements. These allow us both to extend the offer within existing ranged categories and to add new product categories to customers onto our partners' platforms, and to fulfil these orders directly from stock in our distribution centres. This is delivering incremental sales and introducing the Radley brand to new customers. Our Radley websites migrated to a new upgraded platform during FY23.

Chief executive officer's statement (continued)

In the USA we have a growing team in Dallas who drive our business in North America. Whilst we entered the market with two large wholesale customers as our primary route to the customer, we now have a full suite of direct channels which are growing rapidly and engaging the consumer with Radley on our terms. Total sales, at $18.8m were up 59% in local currency, and 39% of these sales were direct to consumer, up from 24% in the prior year. Drop ship has been a highlight of the performance which gives us the ability to reach the wide customer bases of our retail partners, and to show these customers a wider range of products and categories. Our first two stores in the USA opened in the year in Las Vegas and Palm Springs, and we have opened a further 6 new stores in the current year, across some of the best premium outlet malls in the USA. These stores give us the ability to showcase the brand and to acquire customers. Average transaction values in these stores are far higher than in our UK outlets and traffic conversion is stronger too. This bodes well for the expansion of our footprint in this market. Our DTC mix is expected to hit 60% this year, and 33% in the digital channels, with successful trading on third party marketplaces, in drop ship channels, on our own website which is fulfilled from the USA from Autumn 2022, and as we open more stores. Our partnership with Macy's remains very strong and in addition to our store presence, our business on macys.com is enhanced with a rapidly growing drop ship offer, fulfilled from our distribution centre.

Internationally, our store in Batavia Stad mall outside Amsterdam first opened its doors in FY21 during lockdown; with the periodic restrictions in the Netherlands the store has yet to demonstrate its full potential but we are optimistic that a replicable business will emerge here. Our partnership with Myer Australia is performing very well with the Australian customer having a strong affinity to our product, and our shipping to Myer was up 67% year on year. A long term growth plan for Radley is being developed with Myer and the group expects the Australian market to become a much more significant contributor over time. During the year we migrated our business in China to a local distributor, who has opened our first two Radley stores in China and continues to operate our Tmall and JD.com online stores.

Our brand's suitability for lifestyle extensions is reflected in both our category extension performance in our channels, including our drop ship partnerships, and in royalty income from our licensee partners. These are gaining real traction and momentum for Radley; sales were ahead 68% on the year, and our mix of non-core category product sales was nearly 6% in full price channels, and continue to grow each year. Footwear is a particular success story, and from a standing start three years ago it already represents 3% of our sales in full price channels and our overall footwear business was ahead 150% year on year. Our luggage business is recovering extremely well post-pandemic and grew by 125% against last year. Sales of watches in our retail channels were up 68%. Our royalty income from licensee partners, derived primarily from watches, jewellery, and eyewear is growing year on year and new partnerships in beauty and gifts have started very promisingly.

The group is currently making a significant investment in the implementation of a new ERP system which will replace several legacy systems. This investment is expected to enhance operational efficiency across the group to enable it to continue its ambitious grow plans. Just as importantly, it will provide an extensive range of management information on demand which will transform the way that we analyse business performance and make decisions.

Radley is passionate about sustainability and ethical sourcing as well as the impact we have as a business on our planet and the people throughout our whole value chain. 85% of the raw materials used in our non-leather products are from sustainable and recycled sources, and the mix of these products is growing year on year. All the leather we buy is sourced from tanneries accredited by Leather Working Group and is a by-product of the food industry. We have specific and ambitious targets on water and energy use, our use of air freight is very low, and our waste reduction programme clinched us the Reducing Waste award at the 2022 British Retail Consortium Climate Action Roadmap awards. The company more than offsets its residual Scope 1 and 2 emissions through a rainforest reserve programme in Indonesia.

Principal risks and uncertainties

The key risk present in the retail climate is the impact of the cost of living pressures, primarily in food, fuel and interest rates, on the disposable income of the consumer. Our ongoing forecasting activities take into account a range of scenarios in this respect and their impact on the profitability and liquidity of the business.

Cost of Living pressures
The impact of high levels of inflation on food, fuel and of higher interest rates is likely to have a dampening effect on consumer demand as a result of lower disposable income in the average household. Management's forecasts take into account a range of outcomes of performance in this respect. Trading action is centred around providing value to the consumer to optimise gross profit cash margin, and cost control is high up the agenda on an ongoing basis. As a result of actions taken during the pandemic, the business is more resilient with a greater proportion of operating costs now directly variable with sales, offering a degree of protection during a downturn. The Russian invasion of Ukraine is a key factor in fuel and food inflation and as the likely length of the war is unknown, prudent budgeting is in place for the foreseeable future.

Coronavirus and the Covid-19 pandemic
It is apparent that Covid-19 is heading towards endemic status, and management consider it unlikely that significant disruption in the form of further lockdowns will impact the retail landscape in the near future.

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 and group has a policy of using forward currency contracts where necessary to protect against future adverse movement in exchange rates, and this affects primarily US Dollars versus GBP rates. At FY22 year end no forward contracts were in place due to the broad balance of USD required to be purchased and sold through the year.

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 group 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.

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

The directors of Radley + Co 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 23 April 2022.

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 is 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 many and varied B2B 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 company 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 company wherever this is practically and commercially feasible. The company purchases clean renewable electricity and offsets its residual CO2 emissions while they are unavoidable.

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

Justin Stead
Justin Stead (Dec 5, 2022 13:53 GMT)

J Stead
Director

Date: 5 December 2022

DIRECTORS' REPORT
FOR THE 52 WEEK PERIOD ENDED 23 APRIL 2022

The directors present their report and the audited financial statements for the 52 week period ended 23 April 2022.

Results and dividends

The loss for the 52 week period, after taxation, amounted to £2,960,004 (2021: loss of £813,270).

The directors do not recommend the payment of a final dividend (2020: £nil).

Directors

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

N Cooper
J Stead
N Vance

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 centre on the disposable income pressures faced by consumers as a result of high energy and food prices and rising interest rates.

Management has carried out a 20 month revenue and cashflow projection through to April 2024 which reflects management's realistic view of trading in FY23 and is based on the latest Forecast which has been signed off by the Board, adjusted for trading results since signoff. The subsequent forecast for the year to April 2024 is based on expected growth solely from new channels, stores and partners that are already up and running in FY23. Management applied both a 5% and 10% decline to this sales forecast to assess the impact on liquidity, being a range deemed to be a material decline by management under the normal course of business; no liquidity issues arose under either scenario. Management then considered the decline that would be required to trigger a covenant test. A 20% decline was applied to the base forecast which, without any actions in mitigation would cause facility headroom to fall below the minimum requirement of 15% of net collateral in October 2023. In the event of this scenario reductions in marketing and other discretionary costs, and reductions in capital expenditure would be made to secure the liquidity position, and this would require sales to fall in excess of 30% before approaching the limits of the facility. This scenario is considered remote by management.

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. The group continues to manage its short term 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 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 2024.

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.

DIRECTORS' REPORT (CONTINUED)
FOR THE 52 WEEK PERIOD ENDED 23 APRIL 2022

Environmental matters

The company will seek to minimise adverse impacts on the environment from its activities, whilst continuing to address health, safety and economic issues. The company has complied with all applicable legislation and regulations.

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.

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 in their employment or to be trained for other positions.

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 6. These matters relate to the business review, future developments and principal risks and uncertainties.

DIRECTORS' REPORT (CONTINUED)
FOR THE 52 WEEK PERIOD ENDED 23 APRIL 2022

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

There are no significant post balance sheet events to report.

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
Justin Stead (Dec 5, 2022 13:53 GMT)

J Stead
Director

Date: 5 December 2022

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE 52 WEEK PERIOD ENDED 23 APRIL 2022

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

Company law requires the directors to prepare audited financial statements for each financial year. Under that law the directors have elected to prepare the audited 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 audited 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 audited 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 + CO. LIMITED FOR THE 52 WEEK PERIOD ENDED 23 APRIL 2022

Opinion

We have audited the financial statements of Radley + Co. Limited (the "Company") for the for the 52 week period ended 23 April 2022 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 27, 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 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 23 April 2022 and of its loss for the 52 week 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 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 this gives rise to 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and 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 10, 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 entity 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;

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.

DocuSigned by:
Ernst & Young LLP
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Michael Kidd (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast
Date: 5 December 2022

STATEMENT OF COMPREHENSIVE INCOME
FOR THE 52 WEEK PERIOD ENDED 23 APRIL 2022

	Note	52 week period ended 23 April 2022 £	52 week period ended 25 April 2021 £
Turnover	3	47,524,468	38,656,750
Cost of sales		(30,275,110)	(23,398,898)
Gross profit		17,249,358	15,257,852
Distribution costs		(2,521,146)	(1,954,338)
Administrative expenses		(18,226,812)	(15,737,687)
Other operating income	4	1,314,817	3,430,854
Non-recurring items	5	(235,847)	(1,631,751)
Operating loss	6	(2,419,630)	(635,070)
Interest payable and similar expenses	10	(394,845)	(493,621)
Loss before tax		(2,814,475)	(1,128,691)
Tax (charge)/ credit	11	(145,529)	315,421
Loss for the period		(2,960,004)	(813,270)
Other comprehensive income for the period			
Other comprehensive gain/ (loss)		418,564	(367,706)
Total comprehensive loss for the period		(2,541,440)	(1,180,976)

The notes on pages 17 to 40 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 23 APRIL 2022

	Note		23 April 2022 £		25 April 2021 £
Fixed assets					
Intangible assets	12		3,465,879		1,507,594
Tangible assets	13		1,215,339		1,339,326
Investments	14		149,810		149,810
			4,831,028		2,996,730
Current assets					
Stocks	15	11,565,406		9,960,321	
Debtors: amounts falling due within one year	16	24,752,672		25,439,483	
Bank and cash balances		1,372,038		867,055	
		37,690,116		36,266,859	
Creditors: amounts falling due within one year	17	(18,027,291)		(12,795,899)	
Net current assets			19,662,825		23,470,960
Total assets less current liabilities			24,493,853		26,467,690
Creditors: amount falling due after more than one year	18		(6,546,340)		(5,980,449)
Provisions for liabilities					
Dilapidation provision	20	(116,712)		(115,000)	
			(116,712)		(115,000)
Net assets			17,830,801		20,372,241
Capital and reserves					
Called up share capital	21		67,550		67,550
Share premium account	22		157,500		157,500
Capital redemption reserve	22		36,950		36,950
Profit and loss account	22		17,568,801		20,110,241
Total shareholders' equity			17,830,801		20,372,241

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

Justin Stead
Justin Stead (Dec 5, 2022 13:53 GMT)

J Stead
Director

Date: 5 December 2022

The notes on pages 17 to 40 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEK PERIOD ENDED 23 APRIL 2022

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total shareholders' equity/ (deficit)
	£	£	£	£	£
At 26 April 2020	67,550	157,500	36,950	21,291,217	21,553,217
Comprehensive loss for the period					
Loss for the period	-	-	-	(813,270)	(813,270)
Movement on foreign currency	-	-	-	(367,706)	(367,706)
Total comprehensive loss for the period	-	-	-	(1,180,976)	(1,180,976)
At 25 April 2021	67,550	157,500	36,950	20,110,241	20,372,241
Comprehensive Income for the period					
Loss for the period	-	-	-	(2,960,004)	(2,960,004)
Movement on foreign currency	-	-	-	418,564	418,564
Total comprehensive loss for the period	-	-	-	(2,541,440)	(2,541,440)
At 23 April 2022	67,550	157,500	36,950	17,568,801	17,830,801

The notes on pages 17 to 40 form part of these financial statements.

1. General information

Radley + Co. 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 23 April 2022 were approved for issue by the Board of Directors on 5 December 2022. 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 23 April 2022 and these financial statements may be obtained from Unit 1B, Etheridge Avenue, Brinklow, Milton Keynes, MK10 0BP.

2. Accounting policies (continued)

2.3 Exemption from preparing consolidated financial statements

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare group financial statements, on the grounds that the company itself is a subsidiary undertaking and the results are included in the group financial statements of the ultimate parent undertaking, Laddie Topco Limited, a company incorporated in the United Kingdom. These financial statements therefore present information about the company as an individual undertaking and not about its group.

2.4 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 centre on the disposable income pressures faced by consumers as a result of high energy and food prices and rising interest rates.

Management has carried out a 20 month revenue and cashflow projection through to April 2024 which reflects management's realistic view of trading in FY23 and is based on the latest Forecast which has been signed off by the Board, adjusted for trading results since signoff. The subsequent forecast for the year to April 2024 is based on expected growth solely from new channels, stores and partners that are already up and running in FY23. Management applied both a 5% and 10% decline to this sales forecast to assess the impact on liquidity, being a range deemed to be a material decline by management under the normal course of business; no liquidity issues arose under either scenario. Management then considered the decline that would be required to trigger a covenant test. A 20% decline was applied to the base forecast which, without any actions in mitigation would cause facility headroom to fall below the minimum requirement of 15% of net collateral in October 2023. In the event of this scenario reductions in marketing and other discretionary costs, and reductions in capital expenditure would be made to secure the liquidity position, and this would require sales to fall in excess of 30% before approaching the limits of the facility. This scenario is considered remote by management.

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. The group continues to manage its short term 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 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 2024.

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.*

2. Accounting policies (continued)

2.5 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

Development expenditure

Development expenditure is capitalised in accordance with the accounting policy given below. Initial capitalisation of costs is based on management's judgement that technical and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised management makes assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits.

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. Further details are contained in Note 11.

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.

2. Accounting policies (continued)

2.6 Significant accounting policies

Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment. Intangible assets are amortised on a straight line basis over their estimated useful lives. The useful economic life of trademarks and other intellectual property is determined on a case by case basis, in accordance with the terms of the underlying agreement. The useful economic lives of intangible assets are as follows:

Trademarks:	-	10 years
Software:	-	3 years

The carrying value of intangible assets is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

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
Motor vehicles:	-	25% 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 statement of comprehensive income 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 statement of comprehensive income in the period of derecognition.

2. Accounting policies (continued)

Turnover

Turnover comprises turnover recognised by the company in respect of goods and services supplied during the year, 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.

(ii) Licensing and Royalty income

The company has entered into product license agreements with partners in relation to the licence of its trademarks and other intellectual property. The company earns royalties from these partners and this income is recognised on an accruals basis in accordance with the substance of the relevant agreement.

(iii) Interest income

Income is recognised as interest accrues using the effective interest method.

Stock

Stock 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.

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 statement of comprehensive income 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. Shareholder loans and 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.

Investments

Investment in subsidiary is shown at cost less provision for impairment.

2. Accounting policies (continued)

Research and development expenditure

Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual project is capitalised as an intangible asset when the company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development.

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 statement of comprehensive income.

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 statement of comprehensive income.

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.

2. Accounting policies (continued)

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 statement of comprehensive income on a straight line basis over the remaining lease period.

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;
- Company-related costs including refinancing costs and significant costs relating to the start-up, acquisition or disposal of legal entities or discrete business units;
- Profits or losses arising from the disposal of items of property, plant and equipment and intangible assets; and
- Legal costs, litigation settlements and other similar settlements.

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 the governments' Coronavirus Job Retention Scheme. 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.

3. Turnover

Analysis of turnover by country of destination:

	52 week period ended 23 April 2022 £	52 week period ended 25 April 2021* £
United Kingdom	37,906,700	25,015,097
North America	8,561,839	10,365,831
Asia Pacific	28,293	2,324,045
EMEA	1,027,636	951,777
	47,524,468	38,656,750

*The prior year turnover by country of destination has been re-presented to correct for sales to fellow subsidiaries previously included within the United Kingdom which should have been included in either North America, Asia Pacific or EMEA.

An analysis of turnover by category is given below:

	52 week period ended 23 April 2022 £	52 week period ended 25 April 2021 £
Sales of goods	46,239,595	37,444,533
Royalty income	1,284,873	1,212,217
	47,524,468	38,656,750

4. Other operating income

	52 week period ended 23 April 2022 £	52 week period ended 25 April 2021 £
Coronavirus Job Retention Scheme	-	449,567
Insurance recoveries	74,064	2,500,413
Marketing and other supplier contributions	1,229,383	480,874
Other Income	11,370	-
	1,314,817	3,430,854

5. Non-recurring items

	52 week period ended 23 April 2022 £	52 week period ended 25 April 2021 £
Impairment of investment in Radley China Limited	-	350,000
Impairment of intercompany balance with Radley China Limited	420,079	550,000
Impairment of intercompany balance with Radley Hong Kong Limited	-	60,000
Losses on impairment and disposal of tangible assets	357,210	316,159
Losses on impairment and disposal of intangible assets	-	122,281
Severance payment	26,263	209,302
Legal fees associated with lease surrenders and renegotiations	-	10,877
(Credit)/ cost incurred for closure of Radley Japan K.K.	(567,705)	13,132
	235,847	1,631,751

2022

Impairment of the intercompany balance with Radley China Limited relates to the estimated unrecoverable element of the balance with Radley China Limited, a 100% owned subsidiary which is non trading.

Losses on impairment and disposal of tangible assets relates primarily to the write off of fixture and fittings and other leasehold improvements on the relocation of the company's London office in the year.

Severance payments were made in relation to the restructure of service centre departments.

Radley Japan K.K was liquidated in the year and all stock returned to Radley + Co Limited the company realised a credit on its closure.

2021

Impairment of the investment and intercompany balance with Radley China Limited relates to the estimated unrecoverable element of the balance and investment in Radley China Limited, a 100% owned subsidiary.

Impairment of the intercompany balance with Radley Hong Kong Limited relates to the estimated unrecoverable element of the balance with Radley Hong Kong Limited, a 100% owned subsidiary which is non trading.

Losses on impairment and disposal of tangible assets relates primarily to the write off of fixture and fittings and other leasehold improvements on stores closed in the year.

Losses on impairment and disposal of intangible assets relate to the write off of software no longer in use.

Severance payments were made in relation to the restructure of service centre departments.

Legal fees were incurred during the period in relation to the partial surrender of a head office lease, renegotiations of leases as a result of Covid-19 and on going professional fees in relation to the closure of Radley Japan K.K.

6. Operating loss

The operating loss is stated after charging:

	52 week period ended 23 April 2022 £	52 week period ended 25 April 2021 £
Research & development expenditure	8,292	2,126
Foreign exchange	(101,127)	16,496
Operating lease rentals - plant and machinery	91,965	87,724
Operating lease rentals - other operating leases	510,683	194,416
Amortisation of intangible assets	253,334	220,847
Depreciation of tangible assets owned by the company	669,782	736,649
Depreciation of tangible assets leased by the company	-	107,327
Auditors' remuneration (see note 7)	170,462	213,368

7. Auditors' remuneration

The remuneration of the auditors is further analysed as follows:

	52 week period ended 23 April 2022 £	52 week period ended 25 April 2021 £
Fees payable to the company's auditor and its associates for the audit of the group's annual financial statements	150,000	135,000
Fees payable to the company's auditor and its associates in respect of tax compliance services	20,462	19,968
Fees payable to the company's auditor and its associates in respect of other advisory services	-	58,400
	170,462	213,368

The audit fees for the Laddie Topco group are borne entirely by Radley + Co. Limited.

8. Staff costs

Staff costs were as follows:

	52 week period ended 23 April 2022 £	52 week period ended 25 April 2021 £
Wages and salaries	7,988,818	6,591,117
Social security costs	810,085	701,779
Other pension costs	253,335	185,785
	9,052,238	7,478,681

The average monthly number of employees, including the directors, during the 52 week period was as follows:

	52 week period ended 23 April 2022 No.	52 week period ended 25 April 2021 No.
Administrative	63	56
Selling and distribution	116	110
	179	166

9. Directors' remuneration

	52 week period ended 23 April 2022 £	52 week period ended 25 April 2021 £
Aggregate remuneration in respect of qualifying services	472,394	441,086
Aggregate pension contributions in respect of directors' qualifying services	14,273	13,460
	486,667	454,546

The directors of the company, who are also directors of other subsidiary undertakings of Laddie Topco Limited, received total remuneration including pension contributions of £486,667 (2021: £454,546) in respect of qualifying services for Radley + Co Limited. In addition, two directors (2021: two directors) of Laddie Topco Limited were paid £127,040 (2021: £120,000) in respect of qualifying services for this and other group companies but it is impractical to do an allocation to Radley + Co. Limited.

The remuneration paid to the highest paid director in respect of qualifying services for Radley + Co. Limited including pension contributions amounted to £262,859 (2021: £266,508).

10. Interest payable and similar expenses

Where a loan agreement exists, interest is accrued on group balances at 5% (2021: 5%) per annum. Trading balances with group entities do not attract interest.

	52 week period ended 23 April 2022 £	52 week period ended 25 April 2021 £
Bank loans	302,881	404,733
Interest payable on loans with other group undertakings	91,964	87,838
Interest on finance leases	-	1,050
	394,845	493,621

Interest payable on bank loans relates to the Asset Based Lending facility with Wells Fargo Capital Finance (UK) Limited, entered into during July 2017.

11. Taxation

	52 week period ended 23 April 2022 £	52 week period ended 25 April 2021 £
Corporation tax		
Current tax on profits/(losses) for the period	-	26,375
Adjustments in respect of previous periods	(26,199)	(1,085)
Total current tax	(26,199)	25,290
Deferred tax		
Origination and reversal of temporary differences in the current year	288,638	(15,049)
Adjustment in respect of prior years	(7,081)	(1,131)
Effect of rate change	(109,829)	-
Movement in deferred tax asset	-	(324,531)
Total deferred tax	171,728	(340,711)
Tax charge/ (credit)	145,529	(315,421)

11. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is higher than (2021: lower than) the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%). The differences are explained below:

	52 week period ended 23 April 2022 £	52 week period ended 25 April 2021 £
Loss before tax	(2,814,475)	(1,128,691)
Loss multiplied by standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(534,750)	(214,451)
Effects of:		
Disallowed expenses and non-taxable income	34,656	225,777
Additional capital allowance relief	(101,982)	-
Deferred tax at a higher rate	69,273	-
Effect of rate change	(109,829)	-
Group relief surrendered	821,441	-
Adjustments to tax charge in respect of prior years	(33,280)	(2,216)
Movement in deferred tax asset	-	(324,531)
Total tax charge for the period	145,529	(315,421)

Factors that may affect future tax charges

An increase in the UK corporation rate from 19% to 25% (effective from 1 April 2023) was announced in the 2021 Budget. This planned increase in the UK corporation tax rate has been enacted in law before the balance sheet date and is therefore reflected in the deferred tax balances at 23 April 2022 where it is expected that the deferred tax will be realised at the 25% tax rate. The main UK corporation tax rate will remain at 19% *until 1 April 2023, this rate has been applied to deferred tax balances at 23 April 2022 that are expected to* be realised before 1 April 2023.

12. Intangible assets

	Trademarks £	Software £	Total £
Cost			
At 25 April 2021	570,182	2,438,997	3,009,179
Additions	14,095	2,197,524	2,211,619
Disposals	-	-	-
At 23 April 2022	584,277	4,636,521	5,220,798
Amortisation			
At 25 April 2021	393,092	1,108,493	1,501,585
Charge for the period	30,225	223,109	253,334
At 23 April 2022	423,317	1,331,602	1,754,919
Net book value			
At 23 April 2022	160,960	3,304,919	3,465,879
At 25 April 2021	177,090	1,330,504	1,507,594

Trademarks are amortised evenly over their useful lives of 10 years and software is amortised evenly over their useful lives of 3 years. Amortisation is included in administration expenses in the statement of comprehensive income.

13. Tangible assets

	Leasehold property	Plant and machinery	Motor vehicles	Fixtures and fittings	Total
	£	£	£	£	£
Cost					
At 25 April 2021	782,370	13,969	32,082	4,713,837	5,542,258
Additions	26,813	-	-	888,057	914,870
Disposals	(448,931)	-	(22,780)	(1,321,659)	(1,793,370)
At 23 April 2022	360,252	13,969	9,302	4,280,235	4,663,758
Depreciation					
At 25 April 2021	708,887	8,761	32,082	3,453,202	4,202,932
Charge for the period	26,658	648	-	642,476	669,782
Disposals	(448,931)	-	(22,780)	(952,584)	(1,424,295)
At 23 April 2022	286,614	9,409	9,302	3,143,094	3,448,419
Net book value					
At 23 April 2022	73,638	4,560	-	1,137,141	1,215,339
At 25 April 2021	73,483	5,208	-	1,260,635	1,339,326

Finance leases

The net book value of assets held under finance leases included in fixtures and fittings at year end was £nil (2021: £nil).

14. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 25 April 2021	1,065,593
Additions	-
Disposals	(565,373)
At 23 April 2022	500,220
Impairment	
At 25 April 2021	915,783
Impairment charge	-
Disposal	(565,373)
At 23 April 2022	350,410
Net book value	
At 23 April 2022	149,810
At 25 April 2021	149,810

During the year the company completed the liquidation of its Japan subsidiary Radley Japan K.K.

14. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Principal activity	Class of shares	Holding
Radley Retail Limited	Unit 1B, Etheridge Avenue Brinklow Milton Keynes MK10 0BP	Retail of bags and accessories	Ordinary	100%
Radley Hong Kong Limited	Unit 2212, 22/F HongKong Plaza, 188 Connaught Road West, Sai Wan, Hong Kong	Non-trading	Ordinary	100%
Radley China Limited	Room 506, No58, Lane 1788, West Zhongshon Road, Xuhui District, Shanghai, China	Retail of bags and accessories	Ordinary	100%
Radley USA LLC	Cogency Global Inc, 850 New Burton Road, Suite 201, City of Dover, County of Kent, 19904, Delaware	Wholesale and retail of bags and accessories	Ordinary	100%
Radley Outlets Limited	Unit 1B, Etheridge Avenue Brinklow Milton Keynes MK10 0BP	Retail of bags and accessories	Ordinary	100%
Radley Netherlands B.V	Bataviaplein 62, 8242PN Lelystad	Retail of bags and accessories	Ordinary	100%

All of the subsidiary undertakings are included in the group financial statements of Laddie Topco Limited.

15. Stocks

	23 April 2022 £	25 April 2021 £
Finished goods and goods for resale	11,565,406	9,960,321
	11,565,406	9,960,321

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 £433,667 (2021: £495,058).

Stocks recognised as an expense in the period were £30,275,110 (2021: £23,398,898).

16. Debtors: Amounts falling due within a year

	23 April 2022 £	25 April 2021 £
Trade debtors	4,792,426	2,635,186
Amounts owed by group undertakings	18,069,336	20,632,169
Other debtors	119,088	379,191
Prepayments and accrued income	1,147,430	1,267,886
Corporation tax receivable	455,409	184,340
Deferred taxation	168,983	340,711
	24,752,672	25,439,483

Amounts owed by group undertakings are interest free and repayable on demand.

Other debtors includes £nil (2021: £39,184) due under the UK Government Coronavirus Job Retention Scheme.

17. Creditors: Amounts falling due within one year

	23 April 2022 £	25 April 2021 £
Trade creditors	6,400,484	5,650,206
Amounts owed to group undertakings	4,969,036	2,312,964
Other taxation and social security	1,820,967	1,394,011
Other creditors	731,977	597,155
Accruals and deferred income	4,104,827	2,841,563
	18,027,291	12,795,899

Where a loan agreement exists, interest is accrued on group balances at 5% (2021: 5%) per annum. Trading balances with group entities do not attract interest.

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

	23 April 2022 £	25 April 2021 £
Revolving credit facility	6,411,731	5,893,677
Other creditors	134,609	86,772
	6,546,340	5,980,449

The long term revolving credit facility balance of £6,412k (2021: £5,894k) represents drawdowns made from the group's facility provided by Wells Fargo Capital Finance, from the loan account in the name of Radley + Co Limited. At the balance sheet date, the net group indebtedness in respect of this facility is £9,090k (2021: £5,683k) of which £123k is a long term debtor in Radley Retail Limited (2021: debtor £681k) and £2,801k is a long term creditor in Radley USA LLC (2021: £470k). On 26th October 2021 the group renewed and extended its asset backed lending facility with Wells Fargo Capital Finance to March 2026.

19. Deferred taxation

	2022 £	2021 £
At beginning of year	340,711	-
(Debited) / credited to Statement of Comprehensive Income	(171,728)	340,711
At end of year	168,983	340,711

The deferred taxation balance is made up as follows:

	23 April 2022 £	25 April 2021 £
Accelerated capital allowances	(263,935)	213,353
Short term timing differences	146,755	127,358
Tax losses carried forward	286,163	-
	168,983	340,711

20. Provisions

	Dilapidation provision £
At 25 April 2021	115,000
Charged to the Statement of Comprehensive income	66,657
Utilisation of provision	(64,945)
At 23 April 2022	116,712

The provision above relates to dilapidations on operating leases.

21. Share capital

	23 April 2022 £	25 April 2021 £
Allotted, called up and fully paid		
67,550 (2021: 67,550) Ordinary shares of £1.00 (2021: £1.00) each	67,550	67,550

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

22. Reserves

Share premium account

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Capital redemption reserve

This reserve records the nominal value of shares repurchased by the company.

Profit and loss account

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

23. 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 £253,335 (2021: £185,785). Contribution totalling £33k (2021: £nil) were payable to the fund at the reporting date and included in creditors.

24. Commitments under operating leases

At 23 April 2022 the company had future minimum lease payments under non-cancellable operating leases as follows:

	23 April 2022 £	25 April 2021 £
Land and buildings		
Not later than 1 year	628,860	473,690
Later than 1 year and not later than 5 years	1,476,963	1,851,979
Later than 5 years	2,135,836	2,499,830
	4,241,659	4,825,499

	23 April 2022 £	25 April 2021 £
Other		
Not later than 1 year	54,373	2,371
Later than one year and not later than five years	99,624	-
	153,997	2,371

25. 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.

26. Post balance sheet events

There are no post balance sheet events to report.

27. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Laddie Bidco 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 is Freshstream I LP.