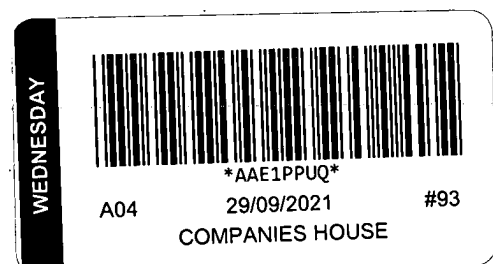


Registered number: 03881713

**TOD'S UK LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**



# **TOD'S UK LIMITED**

## **CONTENTS**

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	<b>Page</b>
<b>Company information</b>	<b>1</b>
<b>Strategic report</b>	<b>2 - 5</b>
<b>Directors' report</b>	<b>6</b>
<b>Directors' responsibilities statement</b>	<b>7</b>
<b>Independent auditor's report</b>	<b>8 - 11</b>
<b>Profit and loss account</b>	<b>12</b>
<b>Balance sheet</b>	<b>13</b>
<b>Statement of changes in equity</b>	<b>14</b>
<b>Notes to the financial statements</b>	<b>15 - 32</b>

**TOD'S UK LIMITED**  
**COMPANY INFORMATION**

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<b>Directors</b>	E Macellari H Wallage E Cascetti
<b>Company secretary</b>	B R Ally
<b>Registered number</b>	03881713
<b>Registered office</b>	10 Norwich Street London EC4A 1BD
<b>Independent auditor</b>	Blick Rothenberg Audit LLP Chartered Accountants & Statutory Auditor 16 Great Queen Street Covent Garden London WC2B 5AH

# **TOD'S UK LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2020**

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The directors present their strategic report of the company for the year ended 31 December 2020.

The principal activity of the company during the year continued to be that of the sale of luxury footwear and leather goods. The company sells goods under the TOD'S and HOGAN brands, brands that TOD'S S.p.A., the parent company, produces and sells as owner or licensee. The company operates a chain of three stores located in London and at Bicester Village. In addition, the company operates a fourth store through a separate legal entity, Webcover Limited.

The year ended 31 December 2020 has been dominated by the impact of the outbreak of coronavirus. On 11 March 2020 the World Health Organisation declared that Covid-19 represents an international pandemic. This has resulted in the imposition of national lockdowns around the globe. In the UK non-essential stores were required to close from 23 March 2020 to 15 June 2020. Restrictions were eased but the ongoing spread of the virus led to a second national lockdown being implemented for four weeks in November 2020 only to reopen again in December for two weeks before closing again from 19 December 2020 restricting the amount of sales generated in the run up to Christmas. During the year, the company's stores were closed for approximately 4 months.

Subsequent to the year end, on 3 January 2021, the UK entered its third national lockdown and all stores were required to close until 12 April 2021.

As a result of the restrictions on opening the company has experienced a significant curtailment of activity. As a result HM Government introduced a number of support packages aimed at those businesses adversely effected by the pandemic. The company accessed a number of the support packages including rates relief for its stores, VAT deferral and the Coronavirus Job Retention Scheme. In addition, the company negotiated payment terms with its landlords.

As a means of trying to continue to trade through the pandemic, the directors utilised technology to create a virtual selling mechanism, allowing customers to shop without needing to visit a store. This was implemented on 5 November 2020 across all of the company's stores and has continued after the year end. The uptake of this technology has exceeded management expectations.

#### **Business review**

The business measures itself in a number of different ways using key performance indicators, at the highest level these are as follows:

- Turnover
- Operating profit

Turnover declined by 58% from £19,857,571 to £8,246,772 during the year ended 31 December 2020. This decrease reflects the challenging trading conditions experienced due to the Covid-19 pandemic, including the periods of store closure as detailed above. The company has stores in central London which has been significantly more impacted than other locations. This has meant that turnover has been impacted to a greater extent.

The company has recorded an operating loss for the year of £502,864 compared to an operating profit of £289,023 in 2019.

Despite the reduction in sales the company has been able to achieve cost savings during 2020 to help mitigate the impact of the pandemic.

The company's principal costs are staff and property costs. Staff costs decreased by 13% to £2,254,931 during 2020 primarily due to the decrease in head count as the company reacted to the decrease in activity. The rent expense decreased by 21% to £3,211,525 due to rent concessions from landlords and because an element of the rental charge is turnover-based.

## **TOD'S UK LIMITED**

### **STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **Business review (continued)**

As mentioned above, the company has utilised support from the UK Government. This includes deferring the payment of the first quarter of 2020's VAT liability until 2021, 100% relief from business rates for the year from 6 April 2020 to 5 April 2021 at the company's retail sites reducing the expense incurred in the year ended 31 December 2020 by £1,071,574, and receiving grant income under the Coronavirus Job Retention Scheme of £361,153.

The company's directors continue to monitor administration costs to ensure they remain under control.

As at 31 December 2020, the company maintains a strong balance sheet position. The value of stock held at 31 December 2020 of £5,679,151 is 10% lower than at 31 December 2019 primarily due to purchasing decisions as a result of the Covid-19 pandemic. In addition, stock holding at 31 December 2019 was impacted by planning for a no-deal Brexit.

The balance sheet also reflects the investment made by the group in the store operated by Webcover Limited. The initial investment in the lease continues to be amortised over the life of the asset. In addition the balance sheet reflects the £2 million forwarded to that company to fund a refurbishment.

The financial statements reflect the impact of the recognition of dilapidation provisions on the company's stores. This provisions stands at £415,000 at the year end.

#### **Future plans**

The company's directors will continue to seek new opportunities to develop and market the brands in the coming year while reacting to changes in the market place. To this end the group will continue to ensure cost savings are achieved whilst exploring opportunities to increase sales whilst footfall at retail sites is reduced.

#### **Principal risks and uncertainties**

The current principal business risk revolves around the impact of the Covid 19 pandemic on the general economic environment and the ability of the company to trade from its stores. The company's stores are based in central London and at Bicester Village which have been adversely effected by the closure of offices and by the reduction in foreign visitors to the UK.

The Covid-19 pandemic has generated a climate of intense uncertainty and it remains challenging to determine the precise effects of the virus on the results of the coming year. The directors have put a plan in place with the purpose of limiting these adverse effects on its results by reducing some costs and giving priority to projects related to the promotion and protection of its brands.

The company has the ongoing support of the ultimate parent company, TOD'S S.p.A., and the solidity of the group's assets and finances ensures the financial independence it requires to continue making its operating decisions and putting its business development strategies into practice with determination during this period.

A further risk and uncertainty facing the company is competition from other luxury brands and seasonal collections not being well received by customers. The directors continue to minimise the company's exposure in these areas by closely monitoring the market on an on-going basis.

#### **Financial risk management objectives and policies**

##### **Liquidity risk**

The company has working capital cycles resulting in peak requirement periods in the year. The company manages its cash requirements to ensure that it has sufficient liquid resources to meet the operating needs of the business. The company is also able to call upon funding from its parent company should it be required.

**TOD'S UK LIMITED**  
**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**Financial risk management objectives and policies (continued)**

**Credit risk**

Sales in the company's retail stores do not give rise to credit risk. Credit risk arising from commission from VAT free sales is considered minimal.

**Foreign exchange risk**

The company has limited foreign exchange risk as it buys goods from its parent in sterling. Limited foreign exchange risk arises from transactions with other group companies and is managed at a group level.

**Brexit**

On 31 January 2020 the UK left the European Union and entered a transition period which ended on 31 December 2020. An agreement on the future trading relationship between the UK and the EU was only agreed on 24 December 2020, as a result the directors managed the risk of a no-deal Brexit by holding more stock than it would have done under normal circumstances.

The directors are evaluating the impact of the new trading arrangements on the company's business including the ability to import goods into the UK and what impact the removal of VAT-free shopping will have on the company's business.

**Statement by the directors on performance of their statutory duties in accordance with S172 (1) Companies Act 2006**

Section 172 (1)(a) to (f) Companies Act 2006 requires the directors to act in the way they consider would be most likely to promote the success of the company for the benefit of its members, as a whole, with regard to the following matters:

**a) The likely consequences of any decision in the long-term**

The directors believe that they have acted in the way they consider, in good faith, to promote the long-term success of the company. Financial budgets for 2020 have been prepared in agreement with the ultimate parent company, Tod's S.p.A, which requires the long term impact of strategic decisions to be considered by both local and group management.

**b) The interests of the company's employees**

The directors consider our people to be our greatest asset and the interests of our employees are always considered. The directors take care over the well-being and environmental awareness of employees. Welfare programmes are optimised and implemented, aiming to protect workers' health and safety.

**c) The need to foster the company's business relationships with suppliers, customers and others**

As the majority of purchases are made from the Tod's S.p.A group, the directors in conjunction with the group management team work closely with suppliers of the group to develop responsible management of the supply chain. This is developed through the definition and dissemination of social, ethical and environmental standards for suppliers, the implementation of production chain audits and the definition and implementation of standards relating to the use of chemical substances on the making of the company's products.

With regards to third party suppliers, the directors aim to work in partnership with suppliers to ensure that they reflect similar values and behaviours to those promoted by the company.

The directors ensure that all employees are very much focussed on our customers and consistently strive to provide quality products and excellent customer service.

## **TOD'S UK LIMITED**

### **STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020**

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**Statement by the directors on performance of their statutory duties in accordance with S172 (1) Companies Act 2006 (continued)**

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

The directors are mindful of environmental issues and have sought to minimise the impact of the company's activities on the environment. Throughout production group management aim to optimise and rationalise the environmental impact related to the materials used, whilst also implementing an environmental management system and the definition of an energy efficiency plan in stores, offices and factories.

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

The directors' intentions are to behave responsibly and ensure that management operate the business in a responsible manner, with the promotion and continuation of initiatives that show solidarity and support for the company's Italian spirit, whilst adhering to the high standards of business conduct and good governance expected.

**f) The need to act fairly as between members of the company**

Tod's UK Limited is a wholly owned subsidiary of Tod's International B.V. and the directors have regular and open dialogue with its representatives.

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

**E Cascetti**  
Director

Date:

8/03/2021

## **TOD'S UK LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

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The directors present their report and the financial statements for the year ended 31 December 2020.

#### **Results and dividends**

The loss for the year, after taxation, amounted to £819,820 (2019 - loss £177,617).

The directors do not recommend a payment of a dividend.

#### **Directors**

The directors who served during the year were:

E Macellari  
H Wallage  
E Cascetti

#### **Matters covered in the strategic report**

As permitted by s414c(11) of the Companies Act 2006, the directors have elected to disclose information, required to be in the directors' report by Schedule 7 of the 'Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008', in the strategic report.

#### **Disclosure of information to auditor**


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 auditor is 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 auditor is aware of that information.

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

E Cascetti  
Director

Date:



8/03/2024



## **TOD'S UK LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020**

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The directors are responsible for preparing 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards) 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 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;
- 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.

## **TOD'S UK LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOD'S UK LIMITED FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **Opinion**

We have audited the financial statements of Tod's UK Limited (the 'company') for the year ended 31 December 2020, which comprise the profit and loss account, the balance sheet, the statement of changes in equity and the notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year 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 United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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

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

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

## **TOD'S UK LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOD'S UK LIMITED (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

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

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

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

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

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

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 7, 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.

## **TOD'S UK LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOD'S UK LIMITED (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **Auditor's responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the company's industry;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, and employment;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

## **TOD'S UK LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOD'S UK LIMITED (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **Auditor's responsibilities for the audit of the financial statements (continued)**

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

#### **Use of our report**

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

*Blick Rothenberg Audit LLP*

Mark Hart FCA CTA (senior statutory auditor)

for and on behalf of

**Blick Rothenberg Audit LLP**

Chartered Accountants  
Statutory Auditor

16 Great Queen Street  
Covent Garden  
London  
WC2B 5AH

Date: 28 September 2021

# TOD'S UK LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Turnover	3	8,246,772	19,857,571
Cost of sales		(1,999,543)	(9,903,606)
<b>Gross profit</b>		<b>6,247,229</b>	<b>9,953,965</b>
Administrative expenses		(8,218,625)	(11,020,060)
Other operating income	4	1,468,532	1,355,118
<b>Operating (loss)/profit</b>	5	<b>(502,864)</b>	<b>289,023</b>
Amounts written off investments		(406,736)	(405,625)
Interest receivable and similar income	7	60,459	70,815
Interest payable and similar expenses	8	(639)	
<b>Loss before taxation</b>		<b>(849,780)</b>	<b>(45,787)</b>
Tax on loss	9	29,960	(131,830)
<b>Loss for the financial year</b>		<b>(819,820)</b>	<b>(177,617)</b>

There were no items of other comprehensive income for either the year or the prior year other than the loss for the year. Accordingly, no statement of other comprehensive income has been presented.

**TOD'S UK LIMITED****BALANCE SHEET  
AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	10	1,881,061	2,297,679
Investments	11	684,133	1,090,869
		<u>2,565,194</u>	<u>3,388,548</u>
<b>Current assets</b>			
Stocks	12	5,679,151	6,316,137
Debtors: amounts falling due after more than one year	13	2,300,187	2,300,187
Debtors: amounts falling due within one year	13	6,765,610	6,013,233
Cash at bank and in hand		1,524,180	1,577,827
		<u>16,269,128</u>	<u>16,207,384</u>
Creditors: amounts falling due within one year	14	(7,019,969)	(6,961,759)
<b>Net current assets</b>		<u>9,249,159</u>	<u>9,245,625</u>
<b>Total assets less current liabilities</b>		<u>11,814,353</u>	<u>12,634,173</u>
<b>Provisions for liabilities</b>			
Other provisions	16	(415,000)	(415,000)
<b>Net assets</b>		<u>11,399,353</u>	<u>12,219,173</u>
<b>Capital and reserves</b>			
Called up share capital	17	350,000	350,000
Profit and loss account	18	11,049,353	11,869,173
<b>Total equity</b>		<u>11,399,353</u>	<u>12,219,173</u>

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

E Cascetti  
Director

Date:

8/03/2021

The notes on pages 15 to 32 form part of these financial statements.

# **TOD'S UK LIMITED**

## **STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020**

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 1 January 2019</b>	<b>350,000</b>	<b>12,046,790</b>	<b>12,396,790</b>
<b>Comprehensive income for the year</b>			
Loss for the financial year	-	(177,617)	(177,617)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>(177,617)</b>	<b>(177,617)</b>
<b>At 1 January 2020</b>	<b>350,000</b>	<b>11,869,173</b>	<b>12,219,173</b>
<b>Comprehensive income for the year</b>			
Loss for the financial year	-	(819,820)	(819,820)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>(819,820)</b>	<b>(819,820)</b>
<b>At 31 December 2020</b>	<b>350,000</b>	<b>11,049,353</b>	<b>11,399,353</b>



# **TOD'S UK LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **1. General information**

Tod's UK Limited sells luxury footwear and leather goods. The company has retail stores in the UK and sells primarily to the UK and the rest of Europe.

The company is a private company limited by shares and is incorporated in England and Wales. The address of its principal place of business is The Prow, 1 Wilder Walk, London, W1B 5AP. The address of its registered office is 10 Norwich Street, London, EC4A 1BD.

The financial statements are presented in Sterling (£).

### **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 ("FRS 102") and the Companies Act 2006.

The company was, at the end of the year, a wholly-owned subsidiary of Tod's International BV, a company incorporated in the EEA, the registered address of which is P. Cornelisz Hooftstraat 74, 1071 CB, Amsterdam, Netherlands. In accordance with the exemption given in Section 400 of the Companies Act 2006, the company is not required to produce, and has not published, consolidated accounts.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102:

- Section 3 Financial Statement Presentation paragraph 3.17(d) (inclusion of statement of cash flows);
- Section 7 Statement of Cash Flows (inclusion of statement of cash flows);
- Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c) (disclosures relating to financial instruments);
- Section 33 Related Party Disclosures paragraph 33.7 (disclosures of key management personnel compensation).

The company is included in the consolidated financial statements of Tod's S.p.A for the year ended 31 December 2020 and these financial statements may be obtained from [www.todsgroup.com/en/investor-relations/financial-documents](http://www.todsgroup.com/en/investor-relations/financial-documents).

The following principal accounting policies have been applied:

## **TOD'S UK LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **2. Accounting policies (continued)**

##### **2.2 Going concern**

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future, being a period of at least twelve months from the date these financial statements were approved.

On 11 March 2020 the World Health Organisation declared that Covid-19 represents an international pandemic. The restrictions that ensued as a result of the pandemic has severely impacted the operations of the company during 2020 and continues to impact the company post year end. The directors have a plan in place with the purpose of limiting the adverse effects on the company's results by reducing costs and giving priority to projects related to the promotion and protection of its brands.

The company has the ongoing support of the ultimate parent company, TOD'S S.p.A., and the solidity of the group's assets and finances ensures the financial independence it requires to continue making its operating decisions and putting its business development strategies into practice with determination during this significant economic downturn. Consequently, the directors continue to adopt the going concern basis in preparing the financial statements.

## **TOD'S UK LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **2. Accounting policies (continued)**

##### **2.3 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### **Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue comprises the invoiced amounts of goods sold and commission income receivable for the year.

The sale of goods through the company's retail stores is recognised at the point of sale to the customer which is considered the point of delivery. Retail sales are usually by cash, credit or payment card.

Sales are made to customers with a right of return within 10 or 15 days subject to certain conditions regarding the usage.

Commission income earned from the promotion of the TOD's brand is recognised in line with revenue generated from the retail outlets.

Income from commissions earned from the management of foreign currency and VAT-free shopping schemes is recognised at the time the refund is applied to the end customer and is included in other operating income.

Dividend income from the company's interest in its subsidiary undertaking is recognised when the right to receive the income is established.

##### **2.4 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the profit and loss account in the same period as the related expenditure.

## **TOD'S UK LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **2. Accounting policies (continued)**

##### **2.5 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their estimated residual value over their estimated useful lives. Depreciation is provided on the following basis:

Leasehold improvements	-	Straight line over the term of the lease
Fixtures and fittings	-	During the first four years assets are written off on a reducing balance basis at a rate of 25% per annum. In the fifth year, depreciation is accelerated to depreciate the asset in full.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit and loss account.

##### **2.6 Investments**

Investments in subsidiaries are measured at cost less accumulated impairment. The cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any consideration paid.

##### **2.7 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to sell. Cost is based on the cost of purchase on a weighted average basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to sell. The impairment loss is recognised immediately in the profit and loss account.

##### **2.8 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

# **TOD'S UK LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **2. Accounting policies (continued)**

#### **2.9 Share capital**

Ordinary shares are classified as equity.

#### **2.10 Foreign currency translation**

##### **Functional and presentation currency**

The company's functional and presentational currency is Sterling (£).

##### **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'interest receivable or similar income' and 'interest payable or similar expenses'. All other foreign exchange gains and losses are presented in profit or loss within 'administrative expenses'.

#### **2.11 Pensions**

##### **Defined contribution pension plan**

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

#### **2.12 Operating leases**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

## **TOD'S UK LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **2. Accounting policies (continued)**

##### **2.13 Impairment of non-financial assets**

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset.

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the assets' continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account.

If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

##### **2.14 Financial instruments**

The company has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

The company's policies for its major classes of financial assets and financial liabilities are set out below.

##### **Financial assets**

Basic financial assets, including trade and other debtors, cash and bank balances, intercompany working capital balances, and intercompany financing are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

## **TOD'S UK LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **2. Accounting policies (continued)**

##### **Financial instruments (continued)**

###### **Financial liabilities**

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

###### **Impairment of financial assets**

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount the company would receive for the asset if it were to be sold at the reporting date.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

###### **Derecognition of financial assets and financial liabilities**

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

###### **Offsetting of financial assets and financial liabilities**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an 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.

## **TOD'S UK LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **2. Accounting policies (continued)**

##### **2.15 Finance costs**

Finance costs are charged to the profit and loss account 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.

##### **2.16 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Current tax is the amount of income tax payable in respect of taxable profit for the year or prior years.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in period different from those in which they are recognised in the financial statements.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met

Deferred tax balances are not recognised in respect of permanent differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.



## TOD'S UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

#### 3. Turnover

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Sale of goods	<b>8,246,772</b>	<b>19,857,571</b>

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	<b>7,748,268</b>	<b>19,317,850</b>
Rest of Europe	<b>455,507</b>	<b>533,438</b>
Rest of the world	<b>42,997</b>	<b>6,283</b>
	<b>8,246,772</b>	<b>19,857,571</b>

#### 4. Other operating income

	2020 £	2019 £
Commission income	<b>69,579</b>	<b>375,518</b>
Government grants	<b>361,153</b>	<b>-</b>
Marketing services	<b>1,037,800</b>	<b>979,600</b>
	<b>1,468,532</b>	<b>1,355,118</b>

Government grants relate to amounts received and receivable under the Coronavirus Job Retention Scheme. There are no unfulfilled conditions or other contingencies attached to government grants.

# **TOD'S UK LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

### **5. Operating (loss)/profit**

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

	2020 £	2019 £
Depreciation of tangible fixed assets	447,715	677,266
Stocks recognised in cost of sales	1,838,704	9,576,965
Gain on disposal of fixed assets	-	(72,725)
Operating lease rentals	3,211,525	4,073,983
Fees payable to the company's statutory auditor for the audit of the company's annual financial statements	21,000	18,500
Fees payable to the company's statutory auditor for non-audit services	6,500	6,500
Exchange differences	39,585	15,358
Defined contribution pension cost	93,346	82,886
	<u>2,254,931</u>	<u>2,604,762</u>

### **6. Employees**

Staff costs were as follows:

	2020 £	2019 £
Wages and salaries	1,967,173	2,306,574
Social security costs	194,412	215,302
Cost of defined contribution scheme	93,346	82,886
	<u>2,254,931</u>	<u>2,604,762</u>

The amount of outstanding pension contributions at the year end was £8,128 (2019 - £7,691).

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

	2020 No.	2019 No.
Store personnel	56	70
Administrative personnel	11	9
	<u>67</u>	<u>79</u>

During the year, no director received any emoluments (2019 - £Nil).

# TOD'S UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 7. Interest receivable and similar income

	2020 £	2019 £
Interest from loans to group companies	60,459	70,815

### 8. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	639	-

### 9. Taxation

	2020 £	2019 £
<b>Corporation tax</b>		
Current tax on profits for the year		146,036
Adjustments in respect of previous periods	(21,355)	
	<u>(21,355)</u>	<u>146,036</u>
<b>Total current tax</b>	<u>(21,355)</u>	<u>146,036</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(8,605)	(14,206)
<b>Total deferred tax</b>	<u>(8,605)</u>	<u>(14,206)</u>
<b>Taxation on (loss)/profit on ordinary activities</b>	<u>(29,960)</u>	<u>131,830</u>

# TOD'S UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 9. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Loss on ordinary activities before tax	<b>(849,780)</b>	<b>(45,787)</b>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	<b>(161,458)</b>	<b>(8,700)</b>
Effects of:		
Non-tax deductible amortisation	<b>77,280</b>	<b>77,069</b>
Expenses not deductible for tax purposes	<b>8,677</b>	<b>7,300</b>
Depreciation in excess of capital allowances for year	<b>34,226</b>	<b>65,693</b>
Adjustments to tax charge in respect of prior periods	<b>(21,355)</b>	<b>-</b>
Short term timing difference leading to an decrease in taxation	<b>(8,605)</b>	<b>(14,206)</b>
Other timing differences leading to an decrease in taxation	<b>-</b>	<b>4,674</b>
Group relief	<b>41,275</b>	<b>-</b>
<b>Total tax charge for the year</b>	<b>(29,960)</b>	<b>131,830</b>

# TOD'S UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 9. Taxation (continued)

#### Factors that may affect future tax charges

In the Spring Budget 2021 on 3 March 2021, the Government announced that from 1 April 2023 the corporation tax rate would increase to 25% for companies with profits of over £250,000. A small profits rate will also be introduced for companies with profits of £50,000 or less so that they will continue to pay corporation tax at 19%. From this date companies with profits between £50,000 and £250,000 will pay tax at the main rate reduced by a marginal relief providing a gradual increase in the effective corporation tax rate.

As of the date of the approval of these financial statements the increase in rates has not been substantively enacted. As the proposal to increase the rate had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

### 10. Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 1 January 2020	2,946,979	2,599,357	5,546,336
Additions	-	31,097	31,097
At 31 December 2020	2,946,979	2,630,454	5,577,433
<b>Depreciation</b>			
At 1 January 2020	1,417,732	1,830,925	3,248,657
Charge for the year	258,667	189,048	447,715
At 31 December 2020	1,676,399	2,019,973	3,696,372
<b>Net book value</b>			
At 31 December 2020	1,270,580	610,481	1,881,061
At 31 December 2019	1,529,247	768,432	2,297,679

# TOD'S UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 11. Fixed asset investments

	Investments in subsidiary companies £
<b>Cost</b>	
At 1 January 2020	2,163,275
At 31 December 2020	<u>2,163,275</u>
<b>Impairment</b>	
At 1 January 2020	1,072,406
Charge for the year	406,736
At 31 December 2020	<u>1,479,142</u>
<b>Net book value</b>	
At 31 December 2020	<u>684,133</u>
At 31 December 2019	<u>1,090,869</u>

### Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Class of shares	Holding
Webcover Limited	10 Norwich Street, London, EC4A 1BD	Ordinary	100%
Buena Ltd	10 Norwich Street, London, EC4A 1BD	Ordinary	100%

### 12. Stocks

	2020 £	2019 £
Finished goods and goods for resale	<u>5,679,151</u>	<u>6,316,137</u>

There is no significant difference between the replacement cost of the stock and its carrying amount.

# TOD'S UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 13. Debtors

	2020 £	2019 £
<b>Due after more than one year</b>		
Amounts owed by group undertakings	2,000,000	2,000,000
Other debtors	300,187	300,187
	<u>2,300,187</u>	<u>2,300,187</u>
	2020 £	2019 £
<b>Due within one year</b>		
Amounts owed by group undertakings	812,355	755,753
Other debtors	400,959	669,265
Prepayments and accrued income	5,291,504	4,583,935
Tax recoverable	247,907	-
Deferred taxation	12,885	4,280
	<u>6,765,610</u>	<u>6,013,233</u>

Included in amounts owed by group undertakings is £2,000,000 due from Webcover Limited, a wholly owned subsidiary which carries interest at Libor plus 2.4% and is repayable by 20 May 2023.

Included in amounts owed by group undertakings is £250,000 due from Buena Limited, a wholly owned subsidiary which carries interest at Libor plus 1.7%, has no fixed repayment date and is repayable at the discretion of the borrower.

Other amounts owed by group undertakings are interest free, have no fixed repayment date and are repayable on demand.

# TOD'S UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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

	2020 £	2019 £
Trade creditors	225,069	443,140
Amounts owed to group undertakings	6,012,992	5,111,522
Corporation tax	-	106,036
Other taxation and social security	305,775	429,457
Other creditors	107,723	18,995
Accruals and deferred income	368,410	852,609
	<u>7,019,969</u>	<u>6,961,759</u>

Amounts owed to group undertakings are interest free, have no fixed repayment date and are repayable on demand.

### 15. Deferred taxation

	2020 £	2019 £
At beginning of year	4,280	(9,926)
Credited to profit or loss	8,605	14,206
At end of year	<u>12,885</u>	<u>4,280</u>

The deferred tax asset is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	11,341	2,973
Other short term timing differences	1,544	1,307
	<u>12,885</u>	<u>4,280</u>



# TOD'S UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 16. Provisions

	Dilapidation provision £
At 1 January 2020	415,000
<b>At 31 December 2020</b>	<b>415,000</b>

The company has an obligation under certain operating leases for dilapidations. These fall due at the expiry of each operating lease which range from 2022 to 2030.

### 17. Share capital

	2020 £	2019 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
350,000 ordinary shares of £1 each	350,000	350,000

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

### 18. Reserves

#### Profit and loss account

The profit and loss reserve includes all current and prior period retained profits and losses.

### 19. Commitments under operating leases

At 31 December 2020 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	4,084,712	3,719,086
Later than 1 year and not later than 5 years	9,823,625	11,185,911
Later than 5 years	5,724,106	8,015,932
	<b>19,632,443</b>	<b>22,920,929</b>

## **TOD'S UK LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **20. Related party transactions**

The company has taken advantage of the exemption contained in FRS 102 section 33 "Related Party Disclosures" from disclosing transactions with entities which are a wholly owned part of the group.

#### **21. Ultimate parent undertaking and controlling party**

The parent undertaking of the smallest group of undertakings for which group financial statements are drawn up and of which the company is a member is Tod's S.p.A, the registered office of which is at Via Filippo Della Valle, 1 - 63811 Sant'Elpidio A Mare (FM), Italy. Copies of these group financial statements are available to the public from [www.todsgroup.com/en/financial-data/statements/](http://www.todsgroup.com/en/financial-data/statements/).

The ultimate parent company is Tod's S.p.A.

In the opinion of the directors the ultimate controlling party is D. Della Valle.