

Registered No: 06866013

Ashworth and Parker Limited
Annual Report and Financial Statements
For the year ended 31 March 2022



Ashworth and Parker Limited

Directors

R C Ashworth
J D Parker
P Di Marco

Secretary

J D Parker

Independent Auditor

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Strategic Report

The Directors present the strategic report for the year ended 31 March 2022.

Principal activity and Business review

Overview

Ashworth and Parker Limited, trading as END., is a leading voice in contemporary fashion, driven by a mission to create inclusive, exciting and memorable retail experiences for its customers. END. harnesses the power of its multi-channel platform to reach a global audience and continually challenges itself to innovate, grow and evolve. END.'s pioneering brand mix and content output defines new trends and provides customers with opportunities to push the boundaries of their style.

Operating online at endclothing.com, through bespoke iOS and Android apps, and from market leading retail spaces, END. strives to provide a truly omni-channel shopping experience to digital-first customers.

END.'s platform includes its market leading Launches offering, which provides access to limited edition, high-demand releases. The Launches platform levels the playing field for consumers and provides a best-in-class customer experience.

Year in review

Following a challenging prior year which saw significant disruptions linked to COVID-19, the year ended 31 March 2022 has seen an increasing return to more normalised conditions, particularly for END.'s physical retail stores.

On 1 April 2021, the Group led by Lobster Topco Limited acquired 100% of the shareholding in the Company from Index Ventures (previous minority investor, now fully exited) and Co-Founders and Co-CEOs Christiaan Ashworth and John Parker.

The period to 31 March 2022 has seen progress and strategic change. Our focus remains 'Digital First' and we have seen continued growth online, most notably in our key UK and US markets. Further international expansion remains central to our strategy, and although Brexit has created significant challenges, we have developed and are continuing to progress our offering to EU customers to enhance our competitive position.

END. launched a bespoke Womenswear offering in July 2021, with a differentiated view that has resonated well with customers and suppliers and presents a future growth opportunity.

We continue to see high quality, experience-led physical retail as being an important part of our strategy. Over the last year we opened a new flagship store in Newcastle-Upon-Tyne in December 2021 and acquired a freehold site in May 2021 for what will be our largest store to date in Manchester. We signed an agreement in December 2021 to lease our first international store in Milan.

Strategic Report (Continued)

Principal activity and Business review (Continued)

END.'s success continues to be underpinned by its long-term approach and the energy our team put into developing positive, collaborative and lasting relationships with our leading partner brands that now number over 600. As well as retaining our focus on representing each individual brand in an authentic, high quality and aspirational way; we also stepped up our engagement and collaboration to continue to manage and react to ongoing supply challenges that we have seen over the course of the year. These have included: European supply challenges post Brexit, COVID-19 related factory closures and global shipping shortages and price pressures.

Our loyal and discerning customer base (currently around 6.3m email subscribers) continues to grow across the world, as does our following on social media. We are proud of the high engagement we have with our social community of over 3.2m followers, who inspire us and drive us to continually raise the bar.

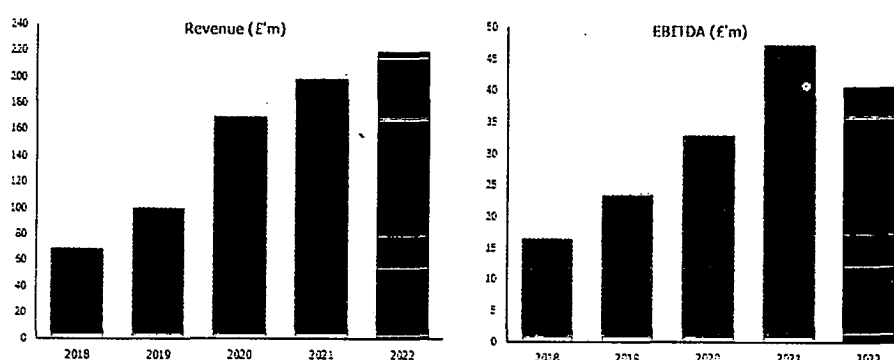
Alongside near-term growth initiatives, we have also invested significantly into our people, systems and platform to prepare END. for future growth.

Our team grew further in the period, with an average headcount of 764 (2021: 636). We saw turnover increase by 9.9% to £219.0m although margins were impacted by significant investments as noted above, resulting in an EBITDA margin of 18.5% for the year.

Key Performance Indicators

Key performance indicators are set out below.

	2022 £m	2021 £m	Change %
Revenue	£219.0	£199.2	9.9%
Gross Profit	£81.4	£80.2	1.5%
Gross Profit Margin	37.2%	40.3%	(3.1pps)
EBITDA	£40.6	£47.2	(14.0%)
EBITDA margin	18.5%	23.7%	(5.2pps)



Strategic Report (Continued)

Directors' statement of responsibilities under section 172 of the Companies Act 2006

The Board of Directors, in line with their duties under s172 of the Companies Act 2006, consider, both individually and together, that they have acted in a way that supports and promotes the success of the company, for the benefit of stakeholders as a whole. Any key decisions and matters of strategic importance are informed and influenced by factors set out in s172.

Customers

END. was established to create exciting and memorable retail experiences for our customers and provides an inclusive shopping experience through our omni-channel offering. END. serves a global audience and continually looks to develop and improve its customer proposition. The Company has a strong social media following and receives positive engagement and feedback from its community. The Directors led initiatives to improve the customer experience and offering during the period through: expanding the breadth and depth of product offerings; improving the customer experience on the websites and Apps; increasing payment options; optimising the delivery proposition; opening new stores; and starting a new Womenswear offering.

Employees

The Directors are proud of our people, and the commitment, passion and dedication they have shown to deliver a great customer experience. The health, safety and well-being of our people is a responsibility we take very seriously. We step-changed our processes and procedures during key COVID periods and have also focused on how we can support our people with their well-being and mental health. We continue to ensure that our people are treated fairly and respectfully, and we proactively promote diversity and inclusion so people can be themselves at work.

Job applications are welcomed from all parts of the community, and we treat all job applicants and employees equally throughout the employee life cycle, regardless of their age, ability, marital or partnership status, race, religion or belief, gender or sexual orientation. Through developing and embedding our values and behaviours, the Directors are focused on creating an environment where our people feel valued, engaged and perform to the best of their ability.

The Directors have invested and created jobs in all key departments in the period, to support growth and to further develop the business for continued success.

We train relevant employees and communicate with suppliers regarding our expectations in relation to responsible sourcing, anti-bribery, human rights and modern slavery. We embed values relating to these into our policies and practices.

Strategic Report (Continued)

Suppliers

END.'s success is underpinned by the strength and depth of its supplier relationships that have been built since the business started in 2005. The Directors take our responsibility to represent our brand partners with the greatest respect, and we work positively and collaborate with our partners to develop our relationships and customer offering. This includes a range of newly on-boarded Womenswear suppliers. It also includes co-design work that enables us to deliver exclusive and differentiated products to our customers. Examples in the period include: END. x Levi's 'Painted'; END. x 1017 Alyx; END. x Off-White; END. x Palm Angels 'Rose'; END. x adidas 'Tennis Club'; END. x Clarks Originals 'Oxford Flowers'; and END. x New Balance 'Art of Nothing'.

Shareholders

END. works closely with its key shareholders to monitor performance, maintain strong governance, and develop the Company's strategy. Key strategic decisions in the period include: significant investment planning to further invest in physical infrastructure (freehold purchase for what will be our new Manchester store, investment/fit-out for our new flagship Newcastle store, and agreement signed to lease our first international store in Milan); continued investment into stock (including new brands and product lines); further investment into technology infrastructure to enhance scalability and the performance of our digital platforms; and increased marketing and investment into social channels to help build our customer base.

Community & Environment

The Directors are committed to making a positive contribution to the communities in which END. operates and the environment. END. is a key employer in the North East of England and the growth we have been able to deliver has enabled us to create new jobs (20% increase in average headcount period-on-period). The Directors are committed to ensuring END. is a responsible taxpayer. END. has an open and transparent relationship with HMRC.

We believe that all companies have a duty to consider and understand how their operations can impact the environment. The Directors and teams work closely with suppliers and partners to explore opportunities for improvement. We have been investing to develop our recycling capabilities, for our inbound and outbound operations, and more generally in our offices, distribution centres and stores. We also work closely with our delivery partners, and in the UK and Europe our key supplier operates a carbon neutral delivery service.

Outlook

We remain confident in the prospects for the future and believe the Company has multiple growth opportunities. We are focused on continuing to grow our global menswear business, developing and increasing our stores portfolio and growing our new Womenswear offering.

Strategic Report (Continued)

Risk

Our risk management framework is designed to identify, assess and manage the principal risks to our business and ensure they are being monitored and controlled appropriately, and that required actions have clear ownership and accountability.

Principal risks and uncertainties

We have undertaken a comprehensive assessment of our principal risks and uncertainties, recognising that as a global business, some of our risks can be dynamic and influenced by the macroeconomic environment.

Description	Mitigating activities
<p>People risk</p> <p>Our success relies on attracting, engaging and retaining a high calibre team in a competitive market: senior managers, technical experts and highly committed and passionate employees throughout our business. Our people are focused on delivering an exceptional experience for our customers.</p>	<p>We review and develop our people policies to support our strategic objectives. We provide development opportunities, progression frameworks and support internal promotion. We are focused on END. being a great place to work.</p>
<p>Brand risk</p> <p>Our brand relationships, supply, curation and edit provides a compelling offer for our customers. We aim to be at the forefront of latest trends and market developments.</p> <p>Problems with access to supply and/or a sub-standard offering could impact our business performance.</p>	<p>Our experienced buyers and long-term collaborations with key designers and brands provide access to high quality products, which our marketing and e-commerce teams edit and curate to provide an exciting and engaging experience for our customers.</p>
<p>International expansion risk</p> <p>As our global expansion continues, it is important to evolve the structure in our international business, to reduce barriers to growth and to avoid undue costs which could negatively impact performance. We also need to be responsive to competitive challenges.</p> <p>We need to continue to monitor and adapt to the changing landscape following Brexit.</p> <p>Geopolitical changes could also impact our ability to trade and supply customers. This includes restrictions on sales to Russia.</p>	<p>We review our structures and ways of working to support our progression in international markets. We regularly assess our group structure, partners, compliance requirements, competitive offering, and operating capability.</p> <p>In response to contractions we have seen in EU sales and increased costs (notably duties END. is funding to optimise the customer experience), the Company is developing new supply routes to the EU to further improve the offering and reduce the cost burden.</p> <p>Alternative sales channels are being utilised to mitigate the headwind from suspending Russian sales.</p>

Strategic Report (Continued)

Risk (Continued)

Description	Mitigating activities
Competitive Risk <p>END. is a market-leading business which has delivered strong growth in revenue and healthy profitability.</p> <p>Competition from other e-commerce players and physical retailers could pose a risk to marketing costs (including digital marketing investments and brand marketing both online and in stores).</p> <p>Entry into Womenswear, a competitive market, creates a new dynamic and potential incremental risk (e.g., stock obsolescence).</p>	<p>Our customers are provided with a differentiated and unique product mix and shopping experience via our website, iOS and Android Apps, and in store. We have multiple local currencies and payment options, good shipping options and an excellent service.</p> <p>Our e-commerce experience, brand and digital marketing and our loyal customer base provides competitive advantages.</p> <p>We monitor stock levels and marketing closely to manage aged stock risk.</p>
Supply risk <p>We are reliant on third-party suppliers and service providers in our supply chain. If there is a failure of a key partner, it could disrupt our operations and impact the products we can offer and deliver to our customers.</p> <p>Ethical practices including human rights, labour and modern slavery, health and safety, and the environment are important to END. There is the risk that they could be contravened without our knowledge by suppliers or their sub-suppliers and this could potentially negatively impact our reputation.</p>	<p>Supply is spread over multiple partners which reduces concentration risk. We use large, well-established and best-in-class delivery partners. Levels of inventory are adequate to cover short periods if supply is delayed. The strength of our relationships with suppliers helps optimise access, and mitigate impacts where possible (such as Vietnam COVID-19 production challenges). We utilised contingency options where possible (e.g. re-orders / additional buys).</p>
Distribution risk <p>The growth in our sales has required us to scale-up our warehousing capacity.</p>	<p>We have grown and continue to strengthen our logistics team and have invested in our warehouse capacity.</p> <p>Planning and process improvements are ongoing to ensure our warehouses have capacity and flexibility and meet our expected future needs. We have a business continuity plan and insurance that would help mitigate the impact of any major business interruptions.</p>

Strategic Report (Continued)

Risk (Continued)

Description	Mitigating activities
<p>Distribution risk (continued)</p> <p>Our warehousing and distribution operations are fundamental to the efficient running of our business. Risks include business interruption due to physical damage, access restrictions, breakdowns, capacity and resourcing shortages, IT systems failure, inefficient processes and third-party issues / failures.</p>	<p>We reacted quickly to implement new and robust Health and Safety procedures to support our employees and operational capability in response to COVID-19. The safety of our employees is an absolute priority.</p> <p>We work closely with our selected, best-in-class delivery partners, this has helped mitigate us against distribution issues seen more broadly in the market.</p>
<p>Retail risk</p> <p>Our performance relies on selecting desirable locations to support footfall and good management to optimise conversion. Performance could be impacted if management is not appropriately active and if ongoing investments are not made.</p> <p>Stores closures and reduced footfall as a result of COVID-19 remains a risk, although stores were open for the majority of the financial year under review.</p>	<p>Our property and retail teams actively manage our portfolio and investments to create best-in-class, experiential retail stores. We have continued to invest to enhance our offering.</p> <p>We developed new processes and procedures in response to COVID-19. The health and safety of our customers and employees is of paramount importance.</p>
<p>Technology risk</p> <p>The availability and integrity of our systems is critical to our success. Our systems process high volumes of data and underpin stock management and decision making.</p> <p>Continuous development and ongoing investment in our systems is required to maintain our responsiveness and prevent obsolescence. Systems changes need to be carefully managed to reduce any potential negative impact on information integrity and performance.</p>	<p>Significant investment to develop and upgrade systems and security programmes are ongoing.</p> <p>Back-up and recovery processes and procedures are in place, and systems vulnerability and penetration testing are carried out regularly by both internal and external parties to evaluate and improve our processes.</p>

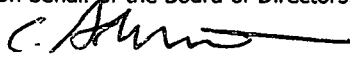
Strategic Report (continued)

Risk (Continued)

Description	Mitigating activities
<p>Technology risk (continued)</p> <p>As a sizeable online operator, cyber security is important to ensure our platforms perform well, are resilient to threats and protect our customer information.</p> <p>Transformation investments into our business platform and to support internal expansion come with execution risk and have the potential to negatively impact performance and operational efficiency.</p>	<p>Risks are managed through internal policies, change management processes, capacity management and contractual service agreements with our suppliers.</p> <p>To mitigate transition risks from investments and developments, cross-functional steering groups are formed. They meet regularly to review the developments, including status, risks, dependencies and impacts.</p> <p>Expert external partners are engaged to support our internal teams in delivering our strategic objectives. Significant testing plans and user acceptance processes are also utilised.</p>
<p>Finance risk</p> <p>Maintaining a strong business performance through active management of financial, foreign exchange, treasury, liquidity and credit risks will support our progression.</p> <p>International expansion will bring greater foreign exchange risk and profits will be affected by moves in foreign exchange rates.</p>	<p>END. has a proven cash generative business model and good liquidity. Cash flow is regularly monitored, and projections are updated to support planning and optimisation of resources.</p> <p>Foreign currency risk is mitigated by natural hedges, supplier payment practices and by regularly repatriating surplus foreign currency balances.</p> <p>Our fraud and payments team works closely with our payment providers and regularly monitors transaction activities. Credit risk is low due to transactions being principally of high volume and low value, spreading over a large number of counterparties and customers.</p>

This Strategic Report has been approved by the Board.

On behalf of the Board of Directors:


R C Ashworth, Director,
4 August 2022

Directors' Report

The Directors present their report and financial statements for the year ended 31 March 2022.

Results and dividends

The profit for the year after taxation amounted to £33.4m (2021: profit of £36.7m). No Dividends have been paid or recommended this year (2021: an interim Dividend in the year was paid of £47.5m, £nil final dividend).

Going concern

The Directors have considered the Company's current and future prospects, its financial strength, and having considered the forecasts for the period to 31 March 2024, trade since year end and a number of sensitivities including reverse stress testing, the Directors are satisfied that the company can continue to pay its liabilities as they fall due from the date of approval of these financial statements out to at least 31 March 2024.

Elements of disruption continued to be caused by COVID-19 and Brexit in the period to 31 March 2022. However, the Company has proven the strength and resilience of its business model and its ability to adapt to changing conditions. The Company has healthy operating margins, a highly cash generative business model and trading history, and has generated strong cash flows and profitability throughout recent periods.

The Directors have considered the impact of stress testing on the trading forecasts for the period to March 2024 and are confident that the company has sufficient liquidity and headroom to cover all costs and obligations.

Lobster Bidco Limited, alongside acquiring the entire share capital of Ashworth and Parker Limited, entered into a £150m 7-year term loan, with interest payable in the going concern period estimated at c.£23m. The stress testing has therefore been applied to consider debt covenants (net debt to adjusted EBITDA <7x) in relation to external finance and this has not highlighted any issues from a going concern perspective.

Lobster Bidco Limited invested in a forward-starting interest rate cap in January 2022, it went live on 31 March 2022 and runs to 30 September 2025 for £100m (two-thirds of the total Term Loan). The cap relates to SONIA with a strike price of 1.75%, providing significant protection to rising rates.

Based on current forecasts and allowing for some cost mitigation activities, END. could manage a revenue drop of c.£120m in FY23 or c.£190m in FY24 before the key financial covenant would be breached in either year, a downside scenario which management considers to be highly remote.

The Directors therefore continue to adopt a going concern basis of preparation for these financial statements.

Directors' Report (Continued)

Directors

The Directors who served the company during the year and to the date of approval of the financial statements were:

R C Ashworth

J D Parker

P Di Marco (Appointed 21st October 2021)

P L Emerson (Non-Executive) (Resigned 1st April 2021)

M H Helfgott (Non-Executive) (Resigned 1st April 2021)

D Rimer (Non-Executive) (Resigned 1st April 2021)

Events after the Statement of Financial Position date

Christiaan Ashworth and John Parker, joint co-founders and CEOs, announced in June 2022 that they will be transitioning to new key roles later in the year on the END. Board of Directors, where they will focus on strategy, governance and oversight. Christiaan and John will both remain significant minority shareholders. END's new CEO will be Parker Gundersen who is the former President of Retail Operations at LVMH subsidiary DFS Group, and was previously the CEO of ZALORA, a leading fashion e-commerce player in Asia. He has over 20 years of multinational leadership experience spanning retail, luxury goods, e-commerce and strategy consulting.

Research and development

During the financial year, the Company's innovative in-house technical and engineering team continued to push the boundaries of technical excellence and found innovative ways to improve END's website, Apps and launches platforms. Research and development expenditure in the year to 31 March 2022 was £4.7m (2021: £4.0m).

Streamlined Energy and Carbon Reporting

The Company is committed to reducing energy consumption. It has expanded usage of modern LED lighting. The Company continues to work closely with its delivery partners to explore options for making improvements, as well as seeking to reduce unnecessary travel. The Company has seen a reduction in direct emissions from fleet and indirect emissions from business travel. Electricity usage has increased following the re-opening of existing stores and the opening of our Grey Street store. The below data has been calculated using the UK Government Conversion Factors for greenhouse gas (GHG) reporting.

Directors' Report (Continued)

Streamlined Energy and Carbon Reporting (Continued)

Methodology

All the SECR data requirements for unquoted 'large' Companies have been met and the energy consumption and emissions are reported below. This includes UK consumption of electricity, gas, and transport fuels where the Company is responsible for the fuels. Scope 2 emissions from purchased electricity have been calculated using the location-based approach only. The GHG Protocol Corporate Accounting & Reporting Standard and UK Government's GHG Conversion Factors for Company Reporting have been used as part of the carbon emission calculation.

Reported emissions (and carbon offsets)	2022	2021
	tonnes CO2e	
Total gross emissions (Scope 1, 2 and 3)		
Location Based	749.9	670.4
Total direct (scope 1) from Gas	288.3	300.8
Total Indirect emissions (scope 2) from electricity	437.5	334.8
Total direct emissions (scope 1) from Fleet	13.7	22.4
Total other indirect emissions (scope 3)		
Other indirect (scope 3) emissions from business travel	10.4	12.4
	kWh	
Energy Consumption		
Total energy consumption used to calculate emissions	3,880,771	3,344,120
Energy consumption, combustion of gas	1,425,534	1,482,220
Energy consumption, electricity	2,262,158	1,649,680
Energy consumption, combustion of transport fuel	193,079	212,220
	tCO2e/£million	
Intensity ratio		
Intensity ratio	3.4	3.4

The reported emissions intensity ratio is the total gross emissions (scope 1, 2 and 3) per annual revenue in tonnes CO2e/£million.

Directors' Report (Continued)

Employees

The company is committed to treating all of its people fairly and promoting diversity and inclusion to ensure current employees and potential employees are treated with respect. It is the company's intention to provide equal treatment of all job applicants and employees regardless of their age, ability, marital or partnership status, race, religion or belief, gender or sexual orientation.

Employment applications are welcome from people with disabilities and, where existing employees develop disabilities, the company will support them to remain in employment, wherever practicable, by providing appropriate adjustments to their roles and/or effective redeployments. The company recognises the importance of gender balance and is committed to encouraging more women to join the business to develop their careers in the retail and IT sectors.

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report.

Matters covered in the Strategic Report

Under Schedule 7.1A of "Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008" the Company has elected to disclose the following directors report information in the strategic report:

- Principal activity and Business review;
- Principal risks and uncertainties; and
- Financial key performance indicators.

Disclosure of information to the Auditor

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the Company's auditor is unaware.

Having made enquiries of fellow Directors and the company's auditor, each Director has taken all the steps that he is obliged to take as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

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



On behalf of the Board of Directors:
R C Ashworth, Director
4 August 2022

Statement of Directors' Responsibilities

The Directors are responsible for preparing the annual report (including the Strategic Report and 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 judgments and 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 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 Ashworth and Parker Limited

Opinion

We have audited the financial statements of Ashworth and Parker Limited for the year ended 31 March 2022 which comprise the Income Statement, The Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position, the Statement of Cash Flows and the related notes 1 to 23, 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 31 March 2022 and of its profit 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 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 to 31 March 2024.

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.

Independent Auditor's Report to the Members of Ashworth and Parker Limited (Continued)

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.

Independent Auditor's Report to the Members of Ashworth and Parker Limited (Continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 15, 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.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework, (including FRS 102 and the Companies Act 2006), and the relevant direct tax compliance regulations in the United Kingdom.
- We understood how the Company is complying with those frameworks by making enquires of management to understand how the Company maintains and communicates its policies and procedures in these areas. We corroborated this by reviewing supporting documentation to validate that the Company has a process for monitoring legal requirements; and has a process for reporting matters of non-compliance and taking appropriate action.

Independent Auditor's Report to the Members of Ashworth and Parker Limited (Continued)

- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and by assessing revenue to be a fraud risk.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved deploying our data analytics techniques to identify the manual journal population deemed most susceptible to fraud (based on our fraud risk criteria) and substantiated these transactions back to supporting documentation. In addition, we tested a sample of revenue transactions back to source documentation including corroborating appropriate authorisation of such transactions.

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. 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.

Ernst & Young LLP

Richard Lingwood
for and on behalf of Ernst & Young LLP, Statutory Auditor
Newcastle-upon-Tyne
4 August 2022

Income Statement

For the year ended 31 March 2022

	Notes	2022 £'000	2021 £'000
Revenue	2	218,992	199,167
Cost of sales		(137,606)	(118,942)
Gross profit		81,386	80,225
Administrative expenses		(43,380)	(35,252)
Operating profit	3	38,006	44,973
Bank interest receivable		55	369
Profit before tax		38,061	45,342
Tax on profit	6	(4,630)	(8,667)
Profit for the financial year		33,431	36,675

The activities of the company are continuing.

Statement of Comprehensive Income

For the year ended 31 March 2022

	2022 £'000	2021 £'000
Profit for the financial year	33,431	36,675
Other comprehensive income	-	-
Total comprehensive income	33,431	36,675

Statement of Changes in Equity

For the year ended 31 March 2022

	Share capital £'000	Share premium £'000	Profit and loss account £'000	Total £'000
At 31 March 2020	-	6,870	92,248	99,118
Profit for the year	-	-	36,675	36,675
Share Options	-	-	957	957
Transactions with owners recorded directly in equity				
Dividends	-	-	(47,483)	(47,483)
At 31 March 2021	-	6,870	82,397	89,267
Profit for the year	-	-	33,431	33,431
Transactions with owners recorded directly in equity				
New shares issued	-	1,605	-	1,605
At 31 March 2022	-	8,475	115,828	124,303

Statement of Financial Position**As at 31 March 2022**

	Notes	2022 £'000	2021 £'000
Fixed assets			
Intangible assets	7(a)	1,052	825
Tangible assets	7(b)	33,932	25,597
Investments	7(c)	17	-
		35,001	26,422
Current assets			
Stocks: goods held for resale	8	62,936	48,370
Current asset investments – bank term deposits	9	-	5,000
Debtors	10	25,699	3,687
Cash at bank and in hand		35,804	34,059
		124,439	91,116
Creditors: amounts falling due within one year	11	(33,712)	(26,910)
Net current assets		90,727	64,206
Total assets less current liabilities		125,728	90,628
Provisions for liabilities and charges			
Deferred taxation	6(c)	(7)	-
Provisions	12	(1,418)	(1,361)
Net assets		124,303	89,267
Capital and reserves			
Called up share capital	14	-	-
Share premium account	14	8,475	6,870
Profit and loss account	14	115,828	82,397
Equity shareholders' funds		124,303	89,267

The financial statements were approved by the Board of Directors on 4 August 2022 and signed on their behalf by:



R C Ashworth
Director
4 August 2022

Registered No: 06866013

Statement of Cash Flows

For the year ended 31 March 2022

	Notes	2022 £'000	2021 £'000
Net cash inflow from operating activities	16(a)	7,364	42,805
Investing activities			
Interest received		104	401
Payments to acquire:			
- intangible fixed assets		(556)	(472)
- tangible fixed assets		(10,647)	(3,942)
- investments		(17)	-
Net cash outflow from investing activities		(11,116)	(4,013)
Financing Activities			
Dividends Paid		-	(47,483)
Cash receipt from share issues		1,605	-
(Repayment)/Receipt of Government grants		(1,091)	988
Net cash inflow/(outflow) from financing activities		514	(46,498)
Decrease in cash and cash equivalents		(3,238)	(7,703)
Effect of exchange rates on cash and cash equivalents		(17)	(499)
Cash and cash equivalents at 1 April		39,059	47,261
Cash and cash equivalents at 31 March	16(b)	35,804	39,059

Notes to the Financial Statements

As at 31 March 2022

1. Accounting policies

Statement of compliance

Ashworth and Parker Limited is a private limited liability company, limited by shares, incorporated in England, United Kingdom. The Registered Office is:

Unit C
Merlin Way
New York Industrial Park
Newcastle upon Tyne
NE27 0QG
England
United Kingdom

The Company's financial statements have been prepared in accordance with FRS102, as it applies to the financial statements of the Company for the year ended 31 March 2022.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, using accounting principles based on historical cost, unless stated otherwise. The financial statements are prepared in GBP sterling which is the functional currency of the Company and rounded to the nearest £000.

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.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions, have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated.

Ashworth and Parker Limited is a qualifying entity as its results are consolidated into the financial statements of Lobster Bidco Limited which are publicly available.

As a qualifying entity, the Company has taken advantage of the following exemptions:

- i) from the requirement to disclose transactions with members of the same group that are wholly owned, as provided by paragraph 33.1A of FRS 102;
- ii) from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7;
- iii) from the requirement to prepare consolidated financial statement, as permitted by 9.3A of FRS 102

Notes to the Financial Statements

As at 31 March 2022

1. Accounting policies (continued)

Going concern

The Directors have considered the Company's current and future prospects, its financial strength, and having considered the forecasts for the period to 31 March 2024, trade since year end and a number of sensitivities including reverse stress testing, the Directors are satisfied that the Company can continue to pay its liabilities as they fall due from the date of approval of these financial statements out to at least 31 March 2024.

Elements of disruption continued to be caused by COVID-19 and Brexit in the period to 31 March 2022. However, the Company has proven the strength and resilience of its business model and its ability to adapt to changing conditions. The Company has healthy operating margins, a highly cash generative business model and trading history, and has generated strong cash flows and profitability throughout recent periods.

The Directors have considered the impact of stress testing on the trading forecasts for the period to March 2024 and are confident that the Company has sufficient liquidity and headroom to cover all costs and obligations.

Lobster Bidco Limited, alongside acquiring the entire share capital of Ashworth and Parker Limited, entered into a £150m 7-year term loan, with interest payable in the going concern period estimated at c.£23m. The stress testing has therefore been applied to consider debt covenants (net debt to adjusted EBITDA <7x) in relation to external finance and this has not highlighted any issues from a going concern perspective.

Lobster Bidco Limited invested in a forward-starting interest rate cap in January 2022, it went live on 31 March 2022 and runs to 30 September 2025 for £100m (two-thirds of the total Term Loan). The cap relates to SONIA with a strike price of 1.75%, providing significant protection to rising rates.

Based on current forecasts and allowing for some cost mitigation activities, END. could manage a revenue drop of c.£120m in FY23 or c.£190m in FY24 before the key financial covenant would be breached in either year, a downside scenario which management considers to be highly remote.

The Directors therefore continue to adopt a going concern basis of preparation for these financial statements.

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 revenues 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.

Notes to the Financial Statements

As at 31 March 2022

1. Accounting policies (continued)

Judgements and key sources of estimation uncertainty (continued)

i. Useful economic lives of tangible and intangible assets

A reliable estimate of the useful life and residual value of tangible and intangible assets is established. The estimate is based on a variety of factors, such as the expected use of the assets, any legal, regulatory or contractual provisions that can limit useful life and residual value, and assumptions that market participants would consider in respect of similar assets.

ii. Provisions

Management estimation is required to determine the appropriate amounts of provisions (including provisions for stock, overseas tax liabilities and dilapidations), and accruals for certain administrative expenses. The judgments, estimates and associated assumptions necessary to calculate these provisions are based on historical experience and other relevant factors. Management has considered the impact of COVID-19 on such estimates and does not consider there to be a material impact.

Significant Accounting Policies

Intangible assets

The costs of developing and acquiring software are stated at historic cost less accumulated amortisation. The costs include payroll and payroll related costs of employees directly associated with the project and other direct external costs. Costs are only capitalised for specifically identifiable projects that will bring future economic benefit. Website and App development and maintenance costs are not capitalised, they are expensed as incurred.

Amortisation is charged to the income statement where applicable over two to five years, based on the estimated useful lives.

The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. There was no impairment loss in the year (2021: £nil).

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. There was no impairment loss in the year (2021: £nil).

Assets under construction represent the direct costs of purchasing and installing land, buildings, equipment and fixtures ahead of their productive use. No depreciation is provided on an asset that is in the course of construction until it is completed and the asset is ready for its intended use.

Notes to the Financial Statements

As at 31 March 2022

1. Accounting policies (continued)

Depreciation

Depreciation is provided on all property, plant and equipment, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold land	- not depreciated
Freehold buildings	- 50 years on a straight-line basis
Equipment, fixtures and vehicles	- 3 – 15 years

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less impairment in Company's financial statements. As a qualifying entity, the Company has taken advantage of the exemption from the requirement to prepare consolidated financial statement, as permitted by 9.3A of FRS 102.

Short-term debtors and creditors

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

Stocks

Stocks of goods for resale are stated at the lower of cost incurred in bringing each product to its present location and condition and net realisable value, after making due allowance for obsolete and slow-moving stocks.

Current asset investments

Current asset investments in the Statement of Financial Position to 31 March 2022 were £nil (31 March 2021 - £5m comprising interest-bearing bank term deposits with a maturity date of 3 to 12 months).

Cash and cash equivalents

Cash at bank and in hand in the statement of financial position comprises cash, bank balances and short-term deposits with a maturity date of 3 months or less.

Leases

Rentals under operating leases are charged to the income statement on a straight-line basis over the lease term. Lease incentives are recognised over the lease term on a straight-line basis. Where a lease obligation becomes onerous, full provision is made for the estimated costs of fulfilling or exiting those lease commitments.

Notes to the Financial Statements

As at 31 March 2022

1. Accounting policies (continued)

Pensions

The Company offers a defined contribution pension scheme. Contributions are charged to the income statement as they become payable in accordance with the rules of the scheme. Differences between contributions payable in the year and contributions actually paid are shown in the Statement of Financial Position as either accruals or prepayments.

Taxation

Tax on the profit for the year comprises current and deferred tax. Tax is recognised in the Income Statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exception:

Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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.

Provisions and accruals for liabilities

A provision is recognised when the company has legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

Foreign currencies

The Company's functional and presentational currency is GBP.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the Statement of Financial Position date. All differences are taken to the income statement.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'.

Notes to the Financial Statements

As at 31 March 2022

2. Turnover

Turnover is recorded net of an appropriate deduction for actual and expected returns, discounts and sales taxes, and is recognised upon dispatch from the warehouse, or at the in-store point of sale, at which point title and risk passes to third parties. The turnover is attributable to the continuing retail activity.

An analysis of the company's turnover by geographical market is set out below.

	2022 £'000	2021 £'000
UK	89,776	77,361
Rest of World	129,216	121,806
	218,992	199,167

3. Operating profit

This is stated after charging:

	2022 £'000	2021 £'000
Auditor's remuneration		
- audit services	66	57
- other taxation advisory services	-	22
Depreciation of tangible fixed assets	2,312	1,975
Amortisation of intangible fixed assets	329	293
Research and development	4,725	4,005
Net foreign exchange losses	10	537
Operating lease rentals		
- land and buildings	1,156	1,279
- other	7	10

4. Directors' remuneration

	2022 £'000	2021 £'000
Aggregate remuneration in respect of qualifying services	962	570
Aggregate value of company contributions to pension scheme	48	48
	1,010	618

The Directors are considered to be the only key management personnel of the Company.

Notes to the Financial Statements

As at 31 March 2022

4. Directors' remuneration (continued)

In respect of the highest paid Director:

	2022 £'000	2021 £'000
Remuneration in respect of qualifying services	481	259
Value of company contributions to pension scheme	24	24
	505	283

There were 2 Directors (2021: 2) participating in the Company's defined contribution pension scheme arrangements.

5. Staff costs

	2022 £'000	2021 £'000
Wages and salaries	17,617	15,792
Social security costs	2,691	1,217
Pension costs	428	395
	20,736	17,404

The monthly average number of employees, including Directors, during the year was:

	2022	2021
Managerial & Administration	347	294
Distribution	284	230
Retail	133	112
	764	636

Notes to the Financial Statements

As at 31 March 2022

6. Tax on profit

(a) Tax on profit

The tax charge is made up as follows:

	Notes	2022 £'000	2021 £'000
Current tax			
UK corporation tax on the profit for the year		3,214	9,166
Group relief		1,473	-
Adjustments in respect of previous periods		(244)	(273)
Total current tax		4,443	8,893
		£'000	£'000
Deferred tax			
Origination and reversal of timing differences		184	(34)
Adjustment in respect of previous periods		3	(192)
Total deferred tax	6(c)	187	(226)
Tax on profit	6(b)	4,630	8,667

No current tax was recognised in other comprehensive income (2021: £nil).

(b) Factors affecting the tax charge for the year

The charge for the year can be reconciled to the profit per the income statement as follows:

	Notes	2022 £'000	2021 £'000
Profit before tax		38,061	45,342
Profit multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)		7,232	8,615
Effects of:			
Expenses not deductible for tax purposes		450	517
Adjustment in respect of exercise of share options		(2,811)	-
Adjustments in respect of previous periods		(241)	(465)
Total tax charge for the year	6(a)	4,630	8,667

Notes to the Financial Statements

As at 31 March 2022

6. Tax on profit (continued)

(c) Deferred tax (asset)/liability

	Notes	2022 £'000	2021 £'000
At 1 April		(180)	46
Charge/(Credit) for the year	6(a)	184	(34)
Adjustments in respect of previous periods	6(a)	3	(192)
At 31 March		7	(180)

The deferred tax (asset)/liability is made up as follows:

	2022 £'000	2021 £'000
Fixed asset timing differences	388	247
Other timing differences	(381)	(427)
At 31 March	7	(180)

(d) Factors that may affect future tax charges

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. The increase in the corporation tax rate was substantively enacted on 24 May 2021 and therefore has been used to measure deferred tax assets and liabilities in these statutory financial statements.

Notes to the Financial Statements

As at 31 March 2022

7. Fixed assets

(a) Intangible assets

	Software £'000
Cost:	
At 1 April 2021	1,250
Additions	556
At 31 March 2022	1,806
Amortisation:	
At 1 April 2021	425
Provided during the year	329
At 31 March 2022	754
Net book value:	
At 31 March 2022	1,052
At 1 April 2021	825

(b) Tangible assets

	Freehold land and buildings £'000	Equipment, fixtures and vehicles £'000	Assets under construction £'000	Total £'000
Cost:				
At 1 April 2021	22,458	9,124	-	31,582
Additions	3,134	142	7,371	10,647
Disposals	-	(2,929)	-	(2,929)
At 31 March 2022	25,592	6,337	7,371	39,300
Depreciation:				
At 1 April 2021	1,431	4,554	-	5,985
Provided during the year	1,165	1,147	-	2,312
Disposals	-	(2,929)	-	(2,929)
At 31 March 2022	2,596	2,772	-	5,368
Net book value:				
At 31 March 2022	22,996	3,565	7,371	33,932
At 1 April 2021	21,027	4,570	-	25,597

Significant assets under construction as at 31 March 2022 related to amounts spent on our Manchester store (2021: £nil).

Notes to the Financial Statements

As at 31 March 2022

7. Fixed assets (Continued)

(c). Fixed asset investments

	Investment in Subsidiary Companies £'000
Cost or valuation:	
At 31 March 2021	-
Acquisition of subsidiaries	17
At 31 March 2022	17

Subsidiary undertakings

The following are subsidiary undertakings of the Company. They have coterminous year ends with the Company.

Name	Registered office	Shareholding	Principal activities
END. Clothing Limited	Unit C Merlin Way, New York Industrial Park, Newcastle Upon Tyne, NE27 0QG United Kingdom	100%	Dormant
END Netherlands B.V	Francois HaverSchmidtwei 2 8914BC Leeuwarden Netherlands	100%	e-commerce sale of clothing, footwear and accessories
END Italy S.R.L	Milano (MI) Foro Buonaparte 70 CAP 20121 Italy	100%	Retail sale of clothing, footwear and accessories

Notes to the Financial Statements

As at 31 March 2022

8. Stock

	2022 £'000	2021 £'000
Goods held for resale	62,936	48,370
	62,936	48,370

Stock is stated after provisions for impairment of £1,485,000 (2021: £650,000)

9. Current asset investments

Current asset investments in the Statement of financial position are £nil (2021: £5m) as at 31 March 2022. In the prior year to 31 March 2021, the balance comprised of interest-bearing bank loan deposits with a maturity date of 3 to 12 months.

10. Debtors

	2022 £'000	2021 £'000
Trade debtors	359	98
Other debtors	2,059	2,234
Corporation tax recoverable	214	571
Deferred tax asset 6(c)	-	180
Amounts owed by parent undertaking	21,637	-
VAT recoverable	691	-
Prepayments and accrued income	739	604
	25,699	3,687

All amounts fall due within one year. The amounts owed by parent undertakings are unsecured, non-interest bearing and are repayable on demand.

11. Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Trade creditors	21,554	18,791
Group Relief payable	1,473	-
Other taxes and social security	544	207
Accruals and deferred income	10,141	7,912
	33,712	26,910

Included in accruals are amounts due to the Company's pension scheme of £77,000 (2021: £65,000).

Notes to the Financial Statements

As at 31 March 2022

12. Provisions

	Overseas tax liabilities £'000	Dilapidations £'000	Total £'000
At 1 April 2021	1,020	341	1,361
Provided during the year	-	57	57
Utilised during the year	-	-	-
Released during the year	-	-	-
At 31 March 2022	1,020	398	1,418

Overseas tax related provisions relate to taxes payable in accordance with overseas regulations. The timing and quantum of these cash flows will be dependent on the timing of filings and the outcome of ongoing discussions with different tax authorities.

Dilapidation provisions relate to management's estimate of dilapidation charges, on lease expiry. The timing of the cash flows is dependent upon the timing of the lease agreement termination and negotiations with landlords.

13. Obligations under operating leases

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

	2022 £'000	2021 £'000
Amounts payable:		
Within one year	1,755	1,175
In one to two years	1,461	1,030
Two to five years	6,976	915
Over five years	5,423	813
	15,615	3,933

Notes to the Financial Statements

As at 31 March 2022

14. Issued share capital and reserves

	No.	2022 £	No.	2021 £
Allotted, called up and fully paid				
Ordinary shares of £0.00001 each	7,982,090	80	7,761,194	78
Series A Preferred shares of £0.00001 each	4,328,358	43	4,328,358	43
	12,310,448	123	12,089,552	121

During the year, 220,896 ordinary shares with aggregate nominal value of £2 were allotted, called up and fully paid. The cash consideration was £1.6m.

The Statement of Financial Position is presented in thousands therefore the above allotted, called up and fully paid shares of £123 is displayed as £-.

All shares rank pari passu. On any relevant return of capital or other circumstances, the Series A Preferred shares will receive preference on surpluses achieved.

	2022 £'000	2021 £'000
Share premium account	8,475	6,870
Profit and loss account	115,828	82,397

The Share premium account represents the premium paid over par value for shares issued.

The profit and loss account reserve represents cumulative comprehensive income less any dividends paid.

15. Financial instruments

	2022 £'000	2021 £'000
Financial assets measured at amortised cost:		
Cash at bank and in hand	35,804	34,059
Current asset investments – bank term deposits	-	5,000
Amounts owed by parent undertaking	21,637	-
Trade and other debtors	2,418	2,332
	59,859	41,391
Financial liabilities measured at amortised cost:		
Trade creditors	21,554	18,791

Notes to the Financial Statements

As at 31 March 2022

16. Notes to the Statement of Cash Flows

(a) Reconciliation of profit to cash generated by operations

	2022 £'000	2021 £'000
Profit before tax	38,061	45,342
Finance income	(55)	(369)
Depreciation of tangible fixed assets	2,312	1,975
Amortisation of intangible fixed assets	329	293
Unrealised loss on cash and cash equivalents	17	-
Increase in stocks	(14,566)	(3,224)
(Increase) / decrease in debtors	(22,598)	171
Increase in creditors/other provisions	6,476	7,251
Share options	-	957
Corporation tax paid	(2,612)	(9,591)
Net cash inflow from operating activities	7,364	42,805

(b) Cash and Cash Equivalents

	2022 £'000	2021 £'000
Cash at bank and in hand	35,804	34,059
Investments – Bank term deposits	-	5,000
Cash and cash equivalents	35,804	39,059

17. Related Party Transactions

The Company has taken advantage of the exemption, as provided by paragraph 33.1A of FRS 102, and does not disclose transactions with members of the same group that are wholly owned.

18. Dividends

	2022 £'000	2021 £'000
Equity dividends on ordinary shares:		
Declared during the year	-	73,964
Waived during the year	-	26,481
Paid during the year	-	47,483

Notes to the Financial Statements

As at 31 March 2022

19. Capital commitments

At 31 March 2022 the Company had capital commitments of £0.4m (2021: £nil).

20. Controlling party

The Company is a wholly owned subsidiary of Lobster Bidco Limited, a company incorporated in England with a registered office at Unit C Merlin Way, New York Industrial Park, Newcastle Upon Tyne, England, NE27 0QG.

Lobster Bidco Limited is a wholly owned subsidiary of Lobster Midco Limited, a company incorporated in England with a registered office at Unit C Merlin Way, New York Industrial Park, Newcastle Upon Tyne, England, NE27 0QG.

Lobster Midco Limited is a wholly owned subsidiary of Lobster Topco Limited, a company incorporated in Jersey with a registered office at 3rd Floor, 44 Esplanade, St Helier, Jersey JE4 9WG.

The Company's ultimate parent company is CEP V Participations S.a r.l. SICAR, a company incorporated in Luxembourg with a registered office at Ave Charles de Gaulle 2, 1653 Luxembourg, Luxembourg.

Lobster Bidco Limited is the smallest group of companies of which Ashworth and Parker Limited is a member and for which publicly available consolidated financial statements have been prepared.

Lobster Midco Limited is the largest group of companies of which Ashworth and Parker Limited is a member and for which publicly available consolidated financial statements have been prepared. The group financial statements of Lobster Midco Limited are publicly available and may be obtained from the Registrar of Companies in England.

21. Contingent Liabilities

The Company has a duty deferment guarantee account totalling £0.1m (2021: £0.1m) and a class guarantee facility totalling £1.9m (2021: £nil).

The Company also has a number of financial facilities, totalling £0.5m (2021: £nil).

Notes to the Financial Statements

As at 31 March 2022

22. Share Options

The Company had a share option scheme, granted to senior executives. The valuation had been derived through reference to market comparables including quoted market comparisons. The equity settled share options were only exercisable in the event of a transaction which results in a change in control.

No options were granted during the year. The expense recognised for share options, all of which were equity-settled options, during the year is £nil (2021: £957k).

The following illustrates the number and weighted average exercise price (WAEP) of the share options as at the period end, which represents 100% of the scheme and full vesting. The range of exercise prices was £3.35 - £15.00.

	2022 No.	2022 WAEP	2021 No.	2021 WAEP
Outstanding as at 1 April	220,896	£7.27	220,896	£7.27
Exercised	(220,896)	£7.27	-	-
Outstanding as at 31 March	-	-	220,896	£7.27
Exercisable at 31 March	-	-	220,896	7.27

All share options were exercised on 1st April 2021. The weighted average share price at the date of exercise was £69.

23. Events after the Statement of Financial Position date

Christiaan Ashworth and John Parker, joint co-founders and CEO's, announced in June 2022 that they will be transitioning to new key roles later in the year on the END. Board of Directors, where they will focus on strategy, governance and oversight. Christiaan and John will both remain significant minority shareholders. END's new CEO will be Parker Gundersen who is the former President of Retail Operations at LVMH subsidiary DFS Group, and was previously the CEO of ZALORA, a leading fashion e-commerce player in Asia. He has over 20 years of multinational leadership experience spanning retail, luxury goods, e-commerce and strategy consulting.