White Stuff Group Limited

Annual report and financial statements

Registered number 07186923

For the period ended 01 May 2021

Contents

Strategic Report

The directors present their report together with the audited consolidated financial statements for the period ended 01 May 2021.

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

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

Financial Highlights and Performance Review for the year
Total sales for the 52 week financial period ending 01 May 2021 decreased by £(40.5)m or (30.0)% to £94.2m from £134.7m in the last period of 53 weeks. The sales decrease reflects the impact of the Covid pandemic and the resultant extended closure of retail shops and concessions for a large part of the year mitigated by the growth of our online business, both on our own website and through our 3rd party partners. Whilst total sales are down on last year, the mitigating growth online is a credit to the strength of the brand and our team who have led the business through an exceptionally difficult period.

Total shop sales finished the period down £(45.8)m or (62.6%) on the last period to £27.4m. This is principally as a result of lockdown and the closure of stores for over half the year. Through the course of the period, we opened 2 new Belgium concessions and closed 9 UK shops. We concluded the period with a total of 126 stores and 45 concessions.

Web sales continued to perform strongly, up £8.3m or 15.7% on the last period to £61.1m. This reflects the benefits of our digital marketing investment in acquiring new customers, as well as the sales transferred from shops during the lockdown period. Web sales represented 64.9% of the total sales compared with 39.2% last period. Sales for the year were secured by our ability to keep our warehouse fully operational during the lockdown period and the dedication of our employees in our warehouse operations.

Wholesale finished the period down £(3.0)m or (34.5)% on last period to £5.7m. This has been a challenging year for our wholesale channel as we have battled the combined headwinds of inbound freight delays and the customs complexities of delivering into the EU. We have worked hard to support our customers and continue to invest and build our wholesale business, particularly internationally, so we can benefit as the recovery gains momentum over the next 12 months. International sales are mainly from France, Belgium, Germany and Canada.

Total international sales decreased by (30.2)% but still represent 9.5% of total sales compared to 9.5% last period. This lack of growth reflects the store and concession closures in Germany and Belgium during the lockdown periods. Whilst Europe has been slower to recover from the pandemic than the UK, we are now seeing recovery in our retail portfolio and in our wholesale order books.

Gross profit at £52.5m was (34.9%) down on last period. Gross profit percentage at 55.7% was (4.2) percentage points lower than the previous period, reflecting an increased level of promotion during the period. Since the period end, we have successfully increased our full price sales mix versus sales promotion.

Total administrative after exceptional costs were £69.0m compared to £99.8m last period. These costs include £2.2m of exceptional costs relating to intangible asset impairments of £0.4m, onerous lease provision release of £(0.2)m and restructuring redundancy costs of £2.0m. This compares to £7.1m in the last period which included tangible asset impairment of £2.4m, intangible asset impairment of £1.4m, onerous lease provision charge of £2.5m and restructuring redundancy costs of £0.8m. Total administration costs before exceptional items were £66.7m compared to £92.7m last period. This decrease of £26.0m reflects the following factors:

- Reduced payroll costs of £8.9m including the benefit of all non-furloughed colleagues taking a voluntary pay reduction and the resultant savings following on from the restructuring included in exceptional costs.
- Business rates relief, service charge and insurance cost savings of £4.9m
- Reduced rental costs and rent free contributions of £4.3m
- Reduced depreciation and amortisation of £2.8m following impairments made last year
- Other mainly operational cost savings of £5.1m reflecting the reduced activity during the period.

Other operating income was £6.2m compared to £1.2m last period. The current year includes £5.3m relating to the UK Coronavirus Job Retention Scheme and German Kurzarbeit Short Time Work Benefit Scheme, and £0.8m relating to Small Business Rates Relief grants. This compares to the prior year including £1.0m relating to the Coronavirus Job Retention Scheme and £0.1m relating to Small Business Rates Relief grants.

The adjusted EBITDA loss [(1)] is £(3.4)m, before charging the £2.2m of exceptional costs included in total administrative costs; compared to an adjusted EBITDA loss of £(3.4)m before charging £7.1m of exceptional costs last period.

The Group loss after tax for the period was £(10.9)m (2020: £(14.3)m). This loss after tax is after charging foreign exchange loss on derivatives of £(2.6)m (2020: gain on derivatives of £0.1m).

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

Strategic Report *(continued)*

No dividends were paid by the Group to the shareholders (2020: £nil).

Navigating the Pandemic and Brexit
We faced into the challenges of the pandemic early on and took decisive action to reduce our cost base and protect our cash position. We were particularly grateful to those non-furloughed colleagues who agreed to a reduction in pay during the period of furlough. We collaborated closely with all our key stakeholders and we thank them for their support during this period. Our stores were closed for over half the year, however we worked hard to support our teams and our customers, took swift action to re-allocate our stocks and prepared well for each of the re-opening periods. The shop closures drove customers to switch online and as a result, we have emerged stronger with accelerated growth in our online business both internally and through our 3rd party relationships supported by our profitable local market town dominated retail portfolio, which is benefitting from the change in customer shopping habits as customers shop more locally.

It has been an extremely challenging year for the business facing into the combined effect of Brexit, the pandemic and the resultant impact on both customer behaviour and the global supply chain. Despite these obstacles, we have accelerated the progress of our transformation towards being a more digitally focused business, strengthened and grown our customer base and are well prepared to take advantage of the emerging recovery. To mitigate supply chain risk, we have placed our orders earlier, reduced our reliance on China, moved further towards a near sourcing strategy and utilised different modes of transport to reduce delays. We continue to monitor the freight market closely and have budgeted current increased freight costs into our plans.

Internationally, we continue to weather the ongoing storm of Brexit, ensuring we prioritise service to our customers under very difficult circumstances. We have budgeted the increased costs of transport and duty into the EU and continue to work on improving the service levels to our customers. We are well placed to benefit across our wholesale, retail and online channels as the recovery continues.

The White Stuff Brand and Strategic Progress
We have updated our brand logo, modernised our photography and refreshed our tone of voice across all our channels and feedback from our customers has been very positive. This new look and feel has been rolled out across our website and we are currently trialling it across a range of our stores. This has been supported by a much clearer and consistent communication of the brand proposition and identity across all our marketing initiatives and on social media.

We have significantly grown our customer base focused on our core target customer and adapted our approach in response to the shift of customers to online channels. This has been achieved through increased investment in digital marketing with a conscious move into more digital media away from printed catalogues. Whilst continuing to drive our online performance against strict Return On Investment performance measures, we have also invested more in driving broader brand awareness and consideration both offline and through social media channels.

Our core lifestyle clothing product ranges have been developed with an increased focus on sustainable attributes with regular design led story drops supported by a strong edit of customer favourites. Further growth has been achieved by extending the breadth of our ranges through the expansion of our footwear, accessories and kidswear ranges together with the recent launch of a new homeware range.

In stores, we have significantly reduced the underlying cost base of our shop portfolio and built flexibility into the lease terms to react to the changing environment. We continue to monitor the current and projected profitability of our shop portfolio and closely review the performance of each location as consumer behaviour continues to evolve post pandemic. We will continue to refine the shape of our shop portfolio to ensure this is aligned with our overall goal of providing a seamless multi-channel experience for our customers.

On our own website, we have improved the functionality of the site and our ability to be more targeted in meeting customer demands. We continue to invest in technology and content to improve and develop the customer experience and the level of service.

Across our online third party relationships, we are increasing our online mix and broadening our customer reach by growing our online relationships with John Lewis and Partners, Next plc and more recently with Mark and Spencer.

Wholesale continues to recover from the impact of the pandemic and we are seeing growth across a range of both digital and international customers.

Internationally, we are focused on improving our profitability and our service levels across all channels in the post pandemic and post Brexit environment to support wholesale growth. We are implementing a number of new delivery options, optimising our ranges to the market and developing our marketing toolkit.

We continue to invest in our technology roadmap to improve our customer experience and internal operations and processes, to build a solid foundation for the future. We have implemented a number of tools to improve our multi-channel operations and are pleased with the positive impact to date.

Strategic Report *(continued)*

The resilience and commitment of our teams during this period has been exceptional across all areas of the business and the experience has strengthened our ability to react and respond with agility and imagination to opportunities which gives great confidence for the future as the economy recovers. We are committed to investing in people to both retain and attract talent to support our opportunities to grow.

Current trading and outlook
Significant uncertainty remains in the UK and the global economy not only because of the ongoing effects of the pandemic on consumer spending, but also the effect on supply chains of further disruption in the freight market and the inflationary impacts of labour shortages, power cost increases and demand exceeding supply across a range of cost categories. Despite these challenges, we have traded in line with our plan to date and significantly ahead of last year. Whilst our online solus has seen some switch back to retail, we are seeing increased profitability as a result of reduced promotional activity. In stores, our market towns and resorts are trading ahead of expectations but with footfall in some of the larger cities and shopping malls taking longer to recover. We have returned to a more normalised promotional environment with increased full price trading and this is benefitting overall profitability off a significantly reduced cost base.

The teams have invested significant time and investment over the last year in modernising our brand and expanding and developing our product ranges and aligning it with our target customer base. It is early days, but we are seeing positive reactions from our wholesale customers and our online third party relationships that gives us confidence for the year ahead.

Digitally, we are focused on gaining a deeper understanding of our customer and continuing to improve our capability and service levels. We are making good progress with our business transformation program in modernising our website, as well as replacing some of our legacy operational systems in a managed modular approach.

In spite of the head winds which are well documented across the clothing sector, we are continuing to see good recovery across our retail and wholesale channels given the increased level of deliveries. We are also encouraged by the progress of our digital first strategy, as we grow our customer base and expand our reach through our third-party online partnerships.

We have secured our bank facilities for the next 3 years, reduced and aligned our cost base and are investing in new technology to give us a good foundation for growth. Whilst we are motivated by the opportunities ahead, we do remain cautious about the trading outlook, given the uncertainty on consumer spending, inflationary pressures, and supply chain disruption. We have taken mitigating action to manage these risks and will continue to manage our costs and our cash tightly, while monitoring the ongoing uncertainty in the market and we will continue to build flexibility into our plans, ensuring that we invest where there is opportunity.

Cash flows and Balance Sheet
The business finished the period with a net cash position of £(0.7)m (£7.3m cash at bank and in hand, less £(8.0)m drawdown under the Revolving Credit Facility) compared to last period's net cash position of £4.2m ((£12.2m cash at bank and in hand, less £(8.0)m drawdown under the Revolving Credit Facility). Cash outflows during the period included £1.3m on capital expenditure, including £0.7m on technology and £0.6m on new stores and general infrastructure.

At the period end, the business held a £15.0m Revolving Credit Facility with Lloyds Bank of which £5.0m was under the Coronavirus Large Business Interruption Loan Scheme. On 28 May 2021, the total existing £15.0m Revolving Credit Facility was renewed under the Coronavirus Large Business Interruption Scheme with £10.0m until 28 May 2024 and £5.0m until 17 July 2023. At the same time, shareholders including members of the executive invested a further £1.5m into the business through a shareholder loan agreement. All banking facility covenants have been complied with and continue to be complied with and at the period end the business had drawn down £8.0m under its facilities (2020: £8.0m).

The net assets of the business closed at £2.3m versus £13.2m last period, reflecting the impact of the decrease in Profit and Loss account of £10.9m, inclusive of the exceptional costs.

Principal risks and uncertainties

The directors recognise that the Group faces a number of business risks and uncertainties. We have established a structured approach to identify, assess and manage these risks and have embedded this approach into the daily operations of the business. This is regularly monitored and reviewed by the board.

The principal risks assessed as part of this process include risks to competitive position, brand reputation, technology and cyber, people, costs, business operations and the underlying economy.

Global and regional pandemic
The primary risk to the Group today is the uncertainty and threat to consumer confidence and to the future of the high street created by the ongoing Covid pandemic. The business has responded by building greater flexibility into retail operations and expanding online capability, combined with a larger investment in online marketing and carefully managing the cost base. A number of severe but plausible stress test scenarios have been worked through and the directors are satisfied that the business can continue to operate within its facilities and bank covenants.

Strategic Report *(continued)*

More globally, the impact of the pandemic on the supply chain remains a risk giving more uncertainty to the timing of deliveries into our UK warehouse. We have placed our orders earlier, reduced our reliance on suppliers in China with more short lead time suppliers and utilised a number of different methods of transport to help mitigate this and secure timely deliveries.

The business conducts daily business continuity meetings to review the impact of the pandemic both on our teams and our operations enabling us to plan ahead for expected consequences as well as reacting quickly to the unexpected.

The pandemic has also resulted in changes in living and working habits leading to labour shortages across a number of industries. This has still to play out but is already impacting costs and may lead to further pressure on labour costs to retain and attract high quality colleagues.

Brexit and associated cost implications
Whilst the UK officially ceased to be a member of the EU 10 months ago, the added complexity continues to impact costs of operation and service levels into the EU. We remain focused on delivering an improved level of service and are trialling a number of alternative logistics models across our different channels.

The additional connected impact of labour shortages in the transport and warehousing sectors coupled with the cost implications of materials shortages adds additional risk in terms of both cost and delay post Brexit. We are working closely with our partners to build contingency into our plans to avoid any material impact to operations.

Product Offer and Supply Chain
One of the principal risks faced by the Group is if the product offering declines in popularity, leading to reduced revenues, margins and cash flow. The Group is also dependant on the ability of our suppliers to manufacture our products to the desired quality and standards and on our logistics providers, to ensure our products reach the required location on a timely basis. These risks are managed by operating a buying, merchandising and logistics model which focuses on generating high quality desirable products, shorter lead times and low stock levels. The supply chain standards, critical path arrangements and contingency plans are continually reviewed by management and from time to time by the board.

The ongoing disruption in the freight markets continues to cause delays in deliveries and to increase the cost of freight and this is forecast to continue well into next year and potentially beyond depending on the recovery from the pandemic and the supply and demand of ships and containers. We are working closely with our freight forwarders to reduce this risk and this is costed into our plans for the balance of the year.

Cashflow
The Group's banking facility agreement includes fixed and floating charges over all the Group's assets and undertakings under a debenture granted to secure the banking facilities. Certain financial covenant requirements are in place under the banking facility agreements. The Group controls this risk by routinely monitoring actual and projected financial performance against those covenants and reporting performance to the bank on a quarterly basis.

Managing cash flow, working capital and capital investment is a principal focus of the business. Cash flow forecasts going out over 12 months rolling are reviewed weekly against budgets and all capital expenditure is approved by the board based on defined Return On Investment criteria and payback targets. The business took a number of actions to mitigate cash outflows required by the business during the lockdown period and we have built flexibility into our plans to ensure that commitments going forward can be quickly scaled back if required.

Foreign Exchange
The Group is reliant on production from overseas and is therefore exposed to foreign exchange risk arising from currency fluctuations. We will maintain our policy of sourcing the right product from the right country to ensure consistent quality and attention to detail. The Group's forward currency purchasing policies cover all major currencies up to 24 months ahead of purchase for costs of goods sold and the directors are satisfied that these policies will safeguard our budgeted exchange rates for the remainder of the current financial period.

Foreign exchange risk has been explained in the paragraph above, however it is worth noting that Euro exposure is largely covered by a natural hedge on imports and exports.

Customer Behaviour
In the current environment, many more customers are switching from stores to online. The Group has built greater capacity into the operations to accommodate this, increased investment in online marketing and has adopted a more personalised and targeted approach to our communication with customers. From a technology perspective, investment is going into improving the security and accuracy of data as well as improving customer experience across all channels.

Strategic Report *(continued)*

Board composition and involvement in decision making

The board comprises two founder directors, two executive directors and three non-executive directors, all of whom bring a range of skills and experience gained in a number of diverse business sectors over many years. The Board is chaired by Debbie Hewitt, non-executive director. In the year under review, we were delighted to appoint Gareth Jones to the board as a non-executive director.

Gareth's appointment strengthened board expertise in brand management and digital, providing additional independent insight, challenge and support in this very important channel.

The board meets formally at least ten times a year, and more frequently where required. It has a schedule of matters reserved for its approval, which includes major contract and capital expenditure commitments, approval of monthly management accounts and annual report and accounts, and business strategy, budgets, reforecasts and finance facilities. In addition to a monthly detailed board pack, each board member receives weekly sales reports.

During the pandemic, the board met on at least a weekly basis to review key issues arising from the impact of Covid 19, including employee welfare, Covid security arrangements, stock and supplier management and decision making, cashflow management and decision making, cyber security and proposals in respect of the business restructuring which took place during the year under review.

Detailed board papers are circulated in advance of each meeting, including a review of the month for each key business function, and specific papers in respect of that month's business. Board agendas are planned so that the board undertakes appropriate 'deep dives' into specific areas of business activity or strategy, to ensure it has appropriate information and insight to allow it to measure and assess the expected and actual progress and effectiveness of the overall business strategy.

The board, through the Remuneration Committee, reviews Company reward proposals including pay increases, bonus schemes, longer term incentive schemes and approves all directors reward proposals. As part of this process, the committee receives industry benchmarking data against which it can compare such proposals. The Remuneration Committee meets at least twice a year and is chaired by non-executive director Vince Gwilliam. Both Debbie Hewitt and Vince Gwilliam meet at least twice a year with colleagues representing stores, distribution centre and head office to discuss employee engagement, diversity and inclusion and how the culture of the business impacts the sustainability of the business.

The board has an Audit Committee chaired by non-executive director Vince Gwilliam which meets at least twice a year to consider the Company's accounts, its risk register, and to consider and discuss issues raised by the Company auditors and tax advisors.

Details of the key business activities or events in the year are set in pages 1 to 3 of the Strategic Report and pages 10 to 16 of the Directors Report. The board was fully engaged with these activities and, through the framework described above and the engagement activities described in the s172 Statement on pages below, is closely involved in the decision-making process.

S172 Statement

This statement sets out how the directors have exercised their duties in respect of the matters set out in s172 (1) of the Companies Act (section a to f) of the Companies Act 2006. The directors have a duty to promote the success of the company and must act, in good faith, in a way that is most likely to promote the success of the company for the benefit of its members as a whole. In doing so, the directors must consider (amongst other matters):

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

The board considers its key stakeholders to be its employees, its customers, its suppliers and landlords, the communities where our products are made and sold, the wider environment, regulatory bodies and its shareholders.

The board considers the longer-term impact of its decision making, having regard for maintaining the highest standard of business conduct, and which balances the needs of various stakeholders. The framework by which it does this is set out in pages 5 and 6, and examples of how it is has engaged in key decision making are set out in this statement.

Our Employees
Our employees are a key part of our business and the ways in which is seeks to recruit and retain the best talent are set out in pages 14 – 15 of the Directors Report.

The board engages in a number of different ways to support the process of recruiting, retaining and motivating skilled, happy, and committed colleagues.

Through its weekly 'Covid' calls, the board was closely involved in covid security planning measures to keep our people safe and well during the pandemic, and to maintain the Company's reputation of adhering to the highest business standards. The board

Strategic Report *(continued)*

reviewed and input into covid planning proposals at our distribution centre, our head office and our shops, to satisfy itself that all reasonable steps to keep our people, customers and suppliers safe were being taken.

The board receives a formal health and safety update at least once a year and has a designated board member, Chief Financial Officer Nicholas Mather, responsible for Health and Safety within the business. The board is aware of key health and safety statistics including accidents and significant incidents in which are reported to the board on a monthly basis.

The board received and debated detailed proposals in respect of the business restructuring that took place during the year under review. The People Director was invited to attend relevant meetings to outline proposals first hand and in detail. The board took into account the need to preserve cash during the pandemic period, while considering the longer-term business requirements by ensuring the restructuring proposals for both shops and head office were appropriate to ensure the business continued to have the necessary skills and resource in place to deliver profit and strategic growth plans in the longer term.

Through the work of the remuneration committee, the board reviews proposed reward packages across the entire business to ensure that these are fairly balanced and aligned with the wider needs of all business stakeholders. The board is involved in the selection of any key senior management positions, with at least one non-executive director and one founder interviewing or meeting the final proposed candidate prior to appointment. During the year under review, the board undertook a detailed review of the company share incentive programme to realign incentives, ensuring these were appropriate, motivating and linked to the company's future success.

The board conducts first-hand listening sessions with representatives across all business areas, including shops, distribution centre and head office employees on at least an annual basis. These sessions are attended by at least one non-executive director and the Chief Executive Office, allowing the board to hear directly the issues that the representatives may choose to raise. The board also receives the outcome of regular engagement and 'pulse' surveys which are conducted by the business. Senior managers are invited to attend board meetings on a periodic basis to outline proposals and provide deep dive updates on the areas for which they are responsible. This process helps to ensure an open and honest dialogue between the board members and the key senior business managers, fostering trust and understanding between the board and the Company's senior management team.

The Board reviews its own effectiveness, including its skill set and composition annually and that review resulted in the recruitment of an additional NED in the period under review.

Our Suppliers
Our key suppliers are critical to our business and we aim to treat them and their workers fairly, working only with those suppliers who share our values in respect of their workforce, as described in pages 10 - 12 of the Directors Report.

The board regularly reviews our key supplier portfolio to ensure the ongoing stability of our supply chain is maintained and that our sourcing strategy is optimised.

The board engages with supplier relationships on an ongoing basis. It formally reviews the company Modern Slavery Statement prior to publication on our website. During the pandemic period, the board received regular updates on the status of supplier order and order management planning. It reviewed and approved seasonal product buy budgets, ensuring these were appropriately balanced with other stakeholder requirements such as the need to invest in the future growth of the business.

Our Landlords
The business maintained close and regular dialogue with our landlords during the pandemic period as we sought to spread fairly the burden of rent debt incurred during periods of enforced closure. The board was given regular updates on progress and maintained a clear oversight over cashflow planning in this area. We are pleased that at time of writing, we have reached amicable arrangements with the significant majority of our landlords.

Our Customers
Our customers are at the heart of our business strategy and inform our decision making across all areas of the business, from product design to investment in technology, from staff training to recruitment planning.

As outlined in last year's annual report and account, in 2020 the business undertook a comprehensive review of our customer and product proposition, which informed our ongoing strategic plans, including our ambition to attract and retain new 'Independent Woman' customers, and to increase customer engagement across all our channels. Key to the successful delivery of this strategy was the implementation of an enhanced Customer Relationship Management system. The board was fully engaged with this process, undertaking a specific review of the expected benefits and costs of the project proposal prior to authorising the capital expenditure. The board continues to engage with the progress of our customer-led technology projects, with non-executive director Gareth Jones, whose digital experience compliments the board's range of skills and experience, attending and providing input into project steering meetings.

The board receives monthly customer KPIs which are aligned with our customer strategy, so that it has ongoing insight into the effectiveness of customer reach and resonance and can monitor the effectiveness of our customer acquisition programme. The board also receives monthly product reporting so that it understands how our products resonate with our various customer segments.

Strategic Report *(continued)*

Since the year end, the White Stuff brand logo was updated to reflect a cleaner, more modern proposition. The Company's founder directors were engaged with this process so that their views were understood and taken into account during its evolution. Prior to launch, the Head of Brand was invited to attend a board meeting to outline and answer questions from the board about the context, reach and aims of the new branding.

Our Communities
White Stuff has for many years sought to provide meaningful financial and non-financial support in the local communities where it operates. In addition, we recognise that adopting sustainable business practises is critical to minimise the impact of our business activities on the wider environment as described in pages 10 – 14 of the Directors Report.

White Stuff has its own charitable foundation, the White Stuff Foundation and has a three year partnership with Home-Start UK, a charity that works at grass roots level within local communities throughout the UK and Northern Ireland.

Two of the Company's directors are trustees of the Foundation, which allows the board to engage directly with planned charitable activities and fundraising proposals. The Foundation has a Framework agreement which sets out the operational and financial parameters in place between the Foundation and the Company, and which is reviewed by the Company board and Foundation trustees on an annual basis.

The board of directors is updated at least annually on the activities of the Foundation including fundraising, donations, partnerships and the impact of the Foundation's charitable giving. An outline of the charitable activities, fundraising and support can be found on pages 13 – 14 of the Directors' Report.

The business strategy, which is set and reviewed by the board, includes an explicit commitment that all our clothing will have a sustainable element by 2024, through such initiatives as described in pages 10 – 13 of the Director's Report. During the year the Board undertook a review of the supply chain, and a wider sustainability review to extend to other areas of the business will take place in the coming year.

Regulatory and Other Agencies
The board is responsible for managing relationships regulator and other agencies including HMRC, our bank, insurers and credit rating agencies.

Through the work of the audit committee, the board formally engages with the Company auditors and tax advisors at least two times per annum. The committee receives reports in advance setting out areas of financial and tax regulation and reporting compliance. The Chief Financial Officer leads the relationship with the Company auditors and tax advisors and meets regularly with them to discuss pertinent issues, updating the board through monthly board reporting as appropriate.

The CFO and Company Secretary meet with the Company insurers more regularly to ensure key issues and risk are understood and assessed before making recommendations for proposed insurance arrangements for the forthcoming year. The board formally reviews these proposals including an assessment of the balance of risk and costs, to ensure the insurance portfolio is aligned with the needs of the business and board appetite to risk management.

The Chief Financial Officer maintains regular dialogue with the bank and credit agencies, providing regular updates to the board, and the board chairman meets with the bank on a periodic basis to ensure both the board and the bank are aware of each other's priorities and, to help foster an open and transparent relationship.

Shareholders
The Company is majority owned by its original founders, both of whom are members of the Board, with senior management holding share incentives to ensure they have a direct interest in the future success of the business. In the year under review, the board reviewed the senior management share incentive scheme, restructuring the incentives held to ensure they were appropriate to retain and reward the best talent in the longer term.

In addition, as part of the business's refinancing arrangements which took place post year end, the board of directors invested a total of £1.5m in the business in a proportion linked to their respective shareholdings in the company. This investment represents a clear demonstration of its faith in the business strategy, and a personal stake in ensuring that decisions are made to in accordance with this strategy, delivering longer term value growth and a healthy Balance Sheet.

Strategic Report *(continued)*

Key performance indicators

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

		2021 52 weeks ended	2020 53 weeks ended
Turnover by channel	(1)	£94.2m	£134.7m
Shop		*£27.4m*	*£73.2m*
Web		*£61.1m*	*£52.8m*
Wholesale		*£5.7m*	*£8.7m*
Turnover by geographical market as a % of turnover			
United Kingdom		*90.4%*	*90.5%*
Rest of Europe		*8.8%*	*8.7%*
Other		*0.8%*	*0.8%*
Adjusted EBITDA	(2)	£(3.4)m	£(3.4)m
Adjusted EBITDA as a % of turnover		(3.6)%	(2.5)%
Shop numbers	(3)	171	178
Solus shops		*126*	*135*
Concessions		*45*	*43*

1 Third party relationships are across all channels; shop, web and wholesale.

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

Adjusted EBITDA calculation:

	2021 £'000	2020 £'000
(Loss) for the period	(10,948)	(14,349)
Adjustments for:		
Interest and similar expenses	135	105
Foreign exchange loss/(gain) on derivatives	2,564	(121)
Amortisation of loan costs	309	55
Loss on disposal of tangible assets	59	135
Impairment loss on tangible assets	-	2,429
Impairment loss on intangible assets	397	1,386
Depreciation on tangible assets	2,880	6,023
Amortisation of intangible assets	1,369	1,303
Share based payment charge/(credit)	5	(36)
Onerous lease provision (release)/charge	(154)	2,466
Restructuring redundancy costs	1,997	848
Tax credit on loss	(2,041)	(3,607)
Adjusted EBITDA	**(3,428)**	(3,363)

Strategic Report *(continued)*

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

	2021 No.	2020 No.
New solus shops *	-	5
Closed solus shops *	(9)	(2)
New concessions	2	1
Closed concessions	-	(2)
Net shops and concessions	**(7)**	2
Re-sites	**2**	1

* 2020 include a re-site opening and re-site closure at the same location.

On behalf of the board

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

J V Jenkins
Director

21 October 2021

Directors' Report

Results and dividends

The Profit and Loss account is set out on page 21 and shows the results for the period. The Group prepares audited consolidated financial statements to the nearest Saturday to 30 April each period. The current period relates to the 52 week period ended 01 May 2021 and the comparative period to the 53 week period ended 02 May 2020.

No interim or period end dividend was declared or paid (2020: £nil).

Stakeholder Engagement Statement

The way in which the board engages with its Stakeholders is set out in the s172 Statement on pages 5 to 7 of the Strategic Report.

Social Responsibility – Doing Good Stuff

We believe that fashion should never be fast and are committed to timeless designs, obsessing on the details to make clothes that last, crafting our ranges to create individual and unique designs that will want to be loved forever.

Sustainable sourcing has always been important to White Stuff, and we continue to innovate our sourcing and production to minimise the impact of our clothes on the environment, and to treat those who work within our supply chain fairly and equitably.

We have for many years provided charitable donations and other non-financial support to a range of charities in the UK and overseas through our Foundation which we set up in 2010 and have donated £4.0m since this time.

Finally, our values are nothing unless they are embodied through those of our people – we employ people who share our vision, who are passionate about what we do, and aim to provide a collaborative and caring environment that allows our employees to thrive both professionally and personally.

Highlights of the year under review

- **Innovative materials and production** – we are using more innovative materials and sustainable manufacturing process than ever before and are well on track to meet our 2024 target of 100% of our products to have sustainable attributes.
- **Fair treatment of our suppliers and their workers** – we have full visibility of where our products are made throughout our supply chain. We worked closely with them during the pandemic to minimise the impact and fairly share the burden.
- **Donated over £100,000 in our first year of partnership with Home-Start UK, including supporting** their Covid-19 Emergency Fund, and providing first year funding for a new position of perinatal support manager.

Sustainable Sourcing

This year, we widened our product sustainability ambition by considering all aspects of clothing construction, and aim to ensure that by 2024, 100% of our products has sustainable attributes including organic or Fair Trade cotton, EcoVero™ viscose, responsibly sourced wool, by increasing our use of recyclable materials within the production process, and by working with factories that utilise innovative production methods to reduce their use of water and chemicals.

- **Innovative Production**

We are well on track to achieve our target that 100% of products will contain sustainable attributes by 2024. At time of writing, 60% of our Autumn/ Winter 2021 womenswear and menswear range contained sustainable attributes which include:

Sustainable Materials

- 50% of our Spring / Summer 2021 swimwear was made from Repreve ™ fabric, and we expect this to grow to 100% by next year. Repreve ™ Nylon yarn is created from utilising the scrap nylon waste from production lines which are collected together and reformulated into new yarns. Repreve ™ Polyester is created from used plastic bottles which are broken down, melted and made into yarns.
- The padding used in many of our outerwear collections are now sourced from recycled materials. Our recent Autumn Winter 2021 collection of nylon bags is made with 100% recycled materials.
- All our pocket bags are made from a blend of recycled cotton and polyester and all our denim range is made with recycled cotton content along with 100% recycled thread.

Directors' Report *(continued)*

- We continue to increase our use of organic cotton and are delighted that all of our current season core cotton knitwear range is made with 100% organic cotton.

Sustainable processes

- We are proud to work with one of the leading factories in sustainable denim production; the factory uses innovative production methods to reduce the environmental impact of the production process, including 100% adherence to the ZDHD Waste Water guidelines, using energy powered by their on-site renewable energy sources (including onsite rooftop solar panels), and recycling a significant proportion of water back into the production process.
- We have substantially increased our use of Lenzing™ Eco-Vero™ viscose, which is certified by the internationally recognised EU-Eco label of environmental excellence. The viscose is derived from sustainable wood pulp from responsibly managed, certified forests, and is produced using significantly less fossil energy and water than generic viscose
- Our cashmere is sourced from Good Cashmere Standard suppliers. The Good Cashmere Standard was formed by the Aid by Trade foundation which promotes animal welfare and supports cashmere farmers to secure a sustainable source of income. The cashmere yarn is traceable down to the individual yarn cone and is sourced from ethical farms in Inner Mongolia which are regularly monitored to ensure the best living standards of the animals.

- **Fair treatment of our workers**

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

We publish our Modern Slavery Statement annually which explains the steps we have taken so far to address this issue across our business. Our ongoing training programmes continue with our key factories, to train our supplier compliance teams on how to ethically audit their own supply base which has helped to increase visibility of our end-to-end supply chain further down the tiers.

We have a code of conduct that sets out our minimum expectations in respect of working conditions and labour and wages, which covers:

- General principles
- Non discrimination
- Forced labour
- Child labour
- Wages and hours
- Working conditions
- Environment
- Freedom of association

Every one of our Tier 1 large suppliers is required not only to sign up to this code of conduct, but to undertake audits conducted by our own auditors to ensure that the factory conditions are safe and the rights of the workers are respected. We use auditors that are independent and have a close personal understanding of the factories we use which we find helps us to obtain first-hand, meaningful insight into the results of the audits that they undertake for us.

The supply chain within the garment industry is fragmented, meaning that obtaining visibility over the end-to-end supply chain process can be challenging. We are making progress to obtain more depth of insight and by the end of 2022 we expect to begin a new accreditation training program with the next tiers of our supply chain, starting with our key suppliers in India, Bangladesh & Sri Lanka.

In 2019 we joined a programme led by specialist environmental consultants to help support small cotton farmers in the Gujarat region of India. At time of writing, this programme has delivered training to over 1,600 farmers in areas such as climate change adaptation and water savings techniques.

Our partnership with Fairtrade allows us to independently verify that farmers are paid a fair price for their cotton. It allows us traceability to the co-operatives from which we have sourced.

The impact of the global pandemic was felt by retailers and their suppliers alike. We worked closely with our suppliers during the lockdown periods to ensure that this burden was shared fairly and in particular, that no garments or fabrics were left at the liability of the factory alone, for example by deferring rather than cancelling orders wherever possible, and by reworking fabrics into more seasonably relevant styles. We are delighted that we continue to use all of the same suppliers that were in place going into the pandemic.

Directors' Report *(continued)*

Reducing Our Waste

In addition to our increased use of recycled materials in our production process, we always look for other ways to reduce waste produced during the course of our activities. This is not only good business sense, but also has a direct and positive impact on the environment.

- **Sample waste**

We work hard to ensure the garment samples we produce are put to good use once we have finished with them. We do this in a number of ways, including holding samples sales for our staff (and donating all of the proceeds to the White Stuff Foundation); we keep back our samples of men's coats, jumpers, sock and underpants to donate to Spires, a former charity partner of White Stuff who support the local homeless community; and any samples that are unfit for use are donated to charities who recycle or repurpose them.

- **Other waste**

Covid 19 has accelerated existing initiatives such as digitalisation of paperwork, and the trend for remote working. As a result, our paper and printing requirements have reduced to minimal levels particularly at our head office, the business, while a reduction in commuting has reduced emissions caused by five-day week home/office commuting. We expect to see some ongoing benefit here as we introduce an ongoing hybrid working model at our head office which seeks to combine the benefits of both home and office working.

- **Recycling**

Our shops, DC and head office are expected to recycle all waste, from paper and plastic to tea bags and left-over lunches and we provide recycling bins in all locations for this purpose.

Wherever possible we aim to source our packaging and consumables from recycled or recyclable paper and plastic. Our on-line delivery bags are made from 100% renewable plastic and the paper bags used in our shops are sourced from 100% Forestry Services Commission (FSC) forests. Finally, the paper used in our shop and offices comes from FSC or Programme for the Endorsement of Forest Certification (PEFC) sources.

As set out in page 13, we have for many years sought to offer props and other items no longer required by the business to our customers and employees in return for a donation to the White Stuff Foundation, and this year we donated or re-homed a wide range of items including in-store props and old items of furniture. We also offer items that are no longer required by the business to our employees and customers in return for a donation to the White Stuff Foundation.

We are conscious that there is more to do to reduce packaging waste and to increase the use of recycled materials within the garment industry. We are in the process of reviewing our supply chain operations and data monitoring in readiness for the Plastic Packaging Tax which comes into effect in April 2022 and the Extended Producer Responsibility regulations which are due to come into effect in 2023. We continue to work with our suppliers and review our business operations to reduce volumes of packaging waste.

Greenhouse Gas Emissions

White Stuff continues to look for energy-efficient initiatives within its business operations. 100% of our electricity consumption sourced by our main supplier is derived from renewable sources. Lighting at our head office and DC is motion-sensored meaning lights are automatically switched off when the property is unoccupied. Any new shops, or shops which undergo an upgrade or relocation are fitted with energy efficient LED lights and air conditioning systems.

In the year under review, we were delighted to work with the 'Trees for Cities', a UK charity which aims to improve lives by planting tress in cities. We planted 273 trees to offset the impact of our paper consumption; the trees were planted in two separate locations, helping to enhance the biodiversity of the area, the dispersal of flora and fauna, and to improve the woodland corridors between nearby sites.

Directors' Report *(continued)*

The table below sets out a summary of White Stuff's UK energy usage, associated emissions, energy efficient actions and energy performance.

	2020/21		2019/20	
Utility and Scope	**Consumption (kWh)**	**Consumption (tCO2e)**	**Consumption (kWh)**	**Consumption (tCO2e)**
Grid-supplied electricity (scope 2)	**3,546,825**	**827**	5,613,202	1,434
Gaseous and other fuels (scope 1)	**1,226,775**	**226**	820,876	151
Transportation (scope 1)	**149,220**	**35**	300,166	72
TOTAL	**4,922,820**	**1,088**	6,734,244	1,657

	2020/21	2019/20
Intensity Metric	**KWh/tCO2e/m2**	**KWh/tCO2e/m2**
Intensity metric – gross internal area	0.0313	0.0340
Intensity metric - gross sales area	0.0324	0.0480

The above data reflects consumption of sites where the Company has the ability to influence energy management. Data is not reported where the Company has limited or no ability to influence energy management (for example for concessions within a department store). Scope 1 and 2 consumption, CO2e emission data and the Emission Factor Database used are considered with the 2019 UK government environmental reporting guidance, using the current published kWh gross calorific value (CV) and kgCO2e relevant for the year under review.

In the year under review, we have made significant progress in eliminating our paper waste, replacing almost all administrative paperwork with electronic documentation. We have also introduced new, more energy efficient air-conditioning units or lighting in four of our shops. We were delighted to work with the 'Trees for Cities', a UK charity which aims to improve lives by planting trees in cities.

The decrease in energy consumption reflects both the above progress, but predominantly due to impact of the Covid pandemic and the resultant extended closure of our shops, and head office employees working from home. We anticipate energy consumption to increase next year, but below previous years, due to shops being open longer in the period and head office employees moving towards a hybrid working environment spending more time in head office.

Charity and Community

Charitable giving has for many years been an important part of the way we do business. We established the White Stuff Foundation in 2010 and donate at least 1% of our profits to charity every year. We are proud that we have since this time donated £4.0m to charities both in the UK and abroad, including £0.3m in the year under review.

- **Home-Start UK**

In the year under review, we started a new three-year partnership with Home-Start UK, a charity that supports families with young children through their challenging times, working at a grass-roots level in communities all over the United Kingdom and Northern Ireland.

We provide support to Home-Start UK in a variety of ways through financial and non-financial support alike, donating £0.1m in the year under review, including a £50,000 donation to the Home-Start Covid appeal which was used for a range of causes including:

- Providing essential equipment to ensure families remained connected and supported to their Home-Start volunteers during the initial lockdown period
- Providing emergency supplies of basics such as food, nappies and toiletries to Home-Start families in particular hardship as a result of the pandemic
- Providing additional funding for additional volunteer support and training during the pandemic.

As well providing funding for the Home-Start UK Covid Emergency Appeal, we are particularly proud that our funding has allowed Home-Start UK to recruit a new position of Perinatal Support Manager, which will enable Home-Start UK volunteers throughout the UK and Northern Ireland to recognise and more effectively support perinatal mental health difficulties within the families they support.

In addition to financial support, we provided a range of non-financial support including:

- Donation of clothing to Home-Start families and Home-Start charity shops
- Provision of goody-bags and treats to Home-Start UK volunteers and families.
- Provision of over 8,000 small Christmas gifts to Home-Start families.

Directors' Report *(continued)*

Our relationship with Home-Start is an integral part of our ongoing business activities, and we were delighted to welcome them to speak at our annual Retail Managers conference where our shops heard first-hand about the work of Home-Start and the ways in which our support has made a difference to them.

- **Fundraising**

In addition to our Made for Change products, we have a long tradition of selling a range of charitable items in our shops and online and this year is no exception. During the year under review, we sold a range of 'heart' items from our womenswear and homeware ranges, which raised over £0.1m for Home-Start UK.

We are currently working on a collaboration with a number of Home-Start UK women to help us design a range of lovely 'Chari-Tee Shirts' to go on sale in 2022. We are also excited about our forthcoming Christmas 'Chari-Tea Towel' inspired by Home-Start UK children who shared with us words they think about when they think about Christmas. 100% of the profits from the sale of both these products will be donated to Home-Start UK.

As well as selling a range of charitable products and donating the profits to charity, we are always looking for imaginative and engaging ways to fundraise for our Foundation. While some of these activities have been curtailed during the pandemic period, we are delighted to see the return of our regular employee sample sales with all monies raised being donated to the White Stuff Foundation.

In the year under review, our head office underwent a major transformation as we reduced our unwanted space as we transitioned to a hybrid home-working environment, and we also updated many of our in-store props and display items. These activities resulted in the clear out of a wide range of items that were no longer needed by the business. Rather than send these to landfill, we sought wherever possible to donate such items to those in need within our local communities, or to offer them for re-homing to our employees or customers in return for a donation to the White Stuff Foundation. We were particularly pleased to have been able to donate a number of items of office equipment to our partner charity, Home-Start UK offices. We were delighted that other items such as old furniture and props were rehomed to our customers and employees, in return for donations to the Foundation.

Each of our employees can take off two paid community days a year which they can use to support their local community in any way they wish. Employees are encouraged to get involved with fundraising activities and we are delighted that a number of our White Stuff employees participated in the Great North Run, the Great South Run and the London Marathon in support of Home-Start UK.

Our People

The last year has seen a remarkable performance by our teams across all areas of White Stuff. They have shown themselves to be creative, agile, engaged, and resilient, and we feel that we emerge from the Covid crisis with a renewed sense of shared purpose and with a strong, streamlined group of talented people.

- **Wellbeing and Safety**

Throughout the pandemic, our number one priority has been to the safety of our staff, our customers and our suppliers and we have worked hard to ensure our employees, wherever they were based, felt safe and reassured about the safety of their working environment.

We moved fast to ensure colleagues in our distribution centre, shops and head office were able to work as safely as possible. We introduced split working rotas within smaller team 'bubbles' in our Distribution Centre, with a deep cleaning regime between shifts, and a rigorous track and trace and temperature check routine, meaning any suspected or actual Covid cases were quickly identified and contained. We were pleased that our Distribution Centre, remained fully operational throughout the different waves of the pandemic. In our Head Office we took steps to ensure our staff were supported in the transition to a home-working environment during the lockdown period, providing them with the right technology and other home-office equipment where a need was identified, to ensure a comfortable and safe working environment.

We continue to provide a range of PPE equipment and materials at all our locations, and lateral flow testing kits are available for our employees at each White Stuff locations.

The care and wellbeing of our staff was and remains a key priority, and we were delighted to see many of our employees respond to initiatives designed to help maintain morale during the short days and long nights after Christmas 2020, which included inclusive online Keep Fit sessions and the setting of Strava challenges (no miles too short or too long!).
Supporting colleagues' mental health has been a priority and we have been working with an external expert to provide appropriate support and curated content to support colleagues during these stressful times. A number of our employees are trained Mental Health First Aiders and we have recently sought to extend the numbers and profile of these trained volunteers.

Directors' Report *(continued)*

We are pleased to report that in a recent Employee Engagement survey we scored highly on how staff perceived that we took care of their health and wellbeing throughout the pandemic period.

- **Communication and engagement**

Maintaining clear and regular engagement with our employees has been a focus throughout the period under review. We quickly set up new communication platforms to keep furloughed and non-furloughed staff alike updated and engaged, including weekly 'live' trade updates from our CEO, monthly 'newsletter' style updates. We sent out small ad-hoc surprise-and-delight gifts and cards to employees' homes at various points in the year, including Christmas and Easter.

Throughout the pandemic we ran, and continue to run, listening groups at all levels of the organisation, and these have all been attended by the CEO and People Director. These listening groups have proven to be a very successful formula for understanding the details of how employees are feeling and what their needs are and the action we can take to help overcome some of the issues raised at these sessions.

We have listened to the views of our head office employees in respect of the re-opening up of our head office and have had huge support to continue a flexible approach; as a result we have committed to working in a 'hybrid' fashion going forward, with staff able to mix working from home and working from the office as appropriate for their role. We are currently finalizing plans for the transformation of our office space to become an attractive, flexible workspace creating plenty of collaboration space and opportunity to promote the brand and products.

In addition to the above, at least twice a year two of our non-executive directors meet with representatives from our stores, our distribution centre and head office to understand any issues which may be inhibiting progress across the business.

We pride ourselves at White Stuff with a culture of having a transparent and open dialogue with our colleagues, and over the past few years having been building up a rhythm of engagement activities which have helped to influence and shape some of our most strategic decisions as a company.

- **Pay and Reward**

We continue to conduct & publish our Gender pay analysis and benchmark our pay and benefits to ensure our employees are paid fairly and equitably across similar roles. We operate a quarterly bonus scheme for our retail colleagues, and an annual bonus scheme for all other staff. We comply with the National Living Wage legislation and run monthly checks to ensure this compliance is maintained. We do not operate zero hour contracts in any of our shops, head office or distribution centre.

- **Training and Development**

We continue to look for engaging and effective ways to train and develop our people. In the year under review, we have introduced new online training software which we expect to help improve our visibility over engagement with our general suite of training programmes.

We have successfully engaged two new apprentices and two paid interns at our head office as part of a push to introduce more diverse talent into the business and build a pipeline for succession. We hope to grow on this program in the coming years.

- **Diversity & Inclusion**

During the period under review, we sought to formalise the work of our Diversity & Inclusion steering group, focusing on improving communication and awareness of Diversity and Inclusion subjects. This group has initiated a number of different initiatives including introducing informative and thoughtful topics every month through our 'Family Gathering' newsletter (to the whole employee base) and are trialing 'name-blind CVs' in our recruitment process to help eliminate unconscious bias. We continue to review and update all our policies to ensure that they are not only compliant with regulations but reflect latest best practice into this area. We have also prepared the way for our first Diversity study where we will ask our colleagues to participate in a Diversity study which will help us map out our challenges and areas of strength and help inform future priorities and policies.

- **Employees with Disabilities**

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

Our Goals for the Future

- To continue to increase our use of Increase innovative materials and sustainable attributes across our ranges
- To look for ways to reduce packaging materials from factory source through to our end customers

Directors' Report *(continued)*

Contributing to the Tax System
The Group believes that paying taxes arising from our activities is an important part of how the business contributes to societies in which we operate. This period the Group has paid a total £17.7m (2020: £29.7m) in taxes. The reduced taxes paid during the year compared to last year, reflects mainly the reduced level of sales during the year, and the benefit of Business Rates relief, deferral of duty and VAT under the HMRC approved schemes.

Charitable contributions

In the period under review, we are proud that White Stuff, our customers and our employees generated charitable donations of £0.3m (2020: £0.3m) for local charities through the White Stuff Foundation. Since the establishment of the White Stuff Foundation in 2010, White Stuff has donated over £4.0m to charitable causes.

Political donations

The Company made £nil (2020: £nil) political donations during the period.

Other information

An indication of likely future developments in the business, financial risk management disclosure and information on key financial risks have been included in the Strategic Report on pages 1 to 9.

Directors

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

A D M Hewitt MBE *(chairman)*
J V Jenkins
N C H Mather
G T Treves
S G Thomas
V M L Gwilliam
G G Jones (appointed 22 July 2020)

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are aware, there is no relevant audit information of which the Group's auditors are unaware; and the directors have taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

Post Balance Sheet events

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

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution to reappoint them as auditors to the Group was approved on 21 October 2021.

On behalf of the board

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

J V Jenkins
Director

21 October 2021

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

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

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

Independent auditors' report to the members of White Stuff Group Limited

Report on the audit of the financial statements

Opinion

In our opinion, White Stuff Group Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 01 May 2021 and of the group's and company's loss and the group's cash flows for the 52 week period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and financial statements (the "Annual Report"), which comprise: the Consolidated and Company Balance Sheet as at 01 May 2021; the Consolidated Profit and Loss Account and Other Comprehensive Income, the Consolidated and Company Statement of Changes in Equity, the Consolidated Cash Flow Statement for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

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

Independent auditors' report to the members of White Stuff Group Limited *(continued)*

Strategic report and Directors' Report
In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the period ended 01 May 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements
As explained more fully in the Statement of Directors' responsibilities in respect of the Financial Statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and 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 group or the company or to cease operations, or have no realistic alternative but to do so.

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

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

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to tax legislation and company legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the manipulation of financial statement line items through manual journal postings and the use of inappropriate assumptions or management bias in determining accounting procedures.. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of any known or suspected instances of non-compliance with laws and regulations and fraud
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations including unusual or unexpected journal postings to the income statement, journal entries with unusual words and journal entries posted by senior staff members
- Understanding of management's tax compliance along with review of correspondence with tax authorities and understanding of the applicable tax laws
- Challenging assumptions made by management in determining their significant judgements and accounting estimates
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Independent auditors' report to the members of White Stuff Group Limited *(continued)*

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

Other required reporting

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

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

We have no exceptions to report arising from this responsibility.

Craig Skelton (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading
21 October 2021

Consolidated Profit and Loss Account and Other Comprehensive Income

for the period ended 01 May 2021

	Note	Before exceptional items	Exceptional items (Note 3)	Total	Before exceptional items	Exceptional items (Note 3)	Total
		52 weeks ended 01 May 2021	52 weeks ended 01 May 2021	52 weeks ended 01 May 2021	53 weeks ended 02 May 2020	53 weeks ended 02 May 2020	53 weeks ended 02 May 2020
	Note	£'000	£'000	£'000	£'000	£'000	£'000
Turnover	*2*	94,244	-	94,244	134,693	-	134,693
Cost of sales		(41,768)	-	(41,768)	(54,043)	-	(54,043)
Gross profit		52,476	-	52,476	80,650	-	80,650
Administrative expenses	*3*	(66,734)	(2,240)	(68,974)	(92,675)	(7,129)	(99,804)
Other operating income	*4*	6,208	-	6,208	1,182	-	1,182
Operating loss	*5*	(8,050)	(2,240)	(10,290)	(10,843)	(7,129)	(17,972)
Interest receivable and similar income	*8*	6	-	6	163	-	163
Interest payable and similar expenses	*9*	(2,705)	-	(2,705)	(147)	-	(147)
Loss before taxation		(10,749)	(2,240)	(12,989)	(10,827)	(7,129)	(17,956)
Tax credit on loss	*10*	1,660	381	2,041	2,687	920	3,607
Loss after taxation		(9,089)	(1,859)	(10,948)	(8,140)	(6,209)	(14,349)
Other comprehensive income/(expense) for the period, net of income tax		69	-	69	(17)	-	(17)
Total comprehensive loss for the period		(9,020)	(1,859)	(10,879)	(8,157)	(6,209)	(14,366)

All amounts relate to continuing activities.

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

The notes on pages 27 to 47 form part of these financial statements.

Consolidated Balance Sheet
at 01 May 2021

	Note	**01 May 2021**		02 May 2020	
		£'000	**£'000**	£'000	£'000
Fixed assets					
Intangible assets	*11*		**5,178**		6,224
Tangible assets	*12*		**3,687**		6,055
			8,865		12,279
Current assets					
Stocks	*14*	**19,827**		21,159	
Debtors – due within one year	*15*	**7,085**		6,954	
– due after more than one year	*16*	**6,933**		5,308	
Cash at bank and in hand		**7,266**		12,231	
		41,111		45,652	
Creditors: amounts falling due within one year	*17*	**(42,916)**		(40,292)	
Net current (liabilities)/assets			**(1,805)**		5,360
Total assets less current liabilities			**7,060**		17,639
Creditors: amounts falling due after one year	*18*		**(207)**		-
Provisions for liabilities	*20*		**(4,530)**		(4,426)
Net assets			**2,323**		13,213
Capital and reserves					
Called up share capital	*23*		**-**		-
Share premium account			**1,164**		1,164
Reserve for own shares			**(7,954)**		(7,954)
Merger reserve			**27,708**		27,708
Share option reserve			**547**		558
Translation reserve			**13**		(56)
Profit and loss account			**(19,155)**		(8,207)
Total shareholders' funds			**2,323**		13,213

The notes on pages 27 to 47 form part of these financial statements.

The financial statements on pages 21 to 26 were approved by the board on 21 October 2021 and were signed on its behalf by:

J V Jenkins
Director

Company Balance Sheet
at 01 May 2021

	Note		**01 May 2021**		02 May 2020
		£'000	**£'000**	£'000	£'000
Fixed assets					
Investments	*13*		**40,000**		40,000
Current assets					
Debtors	*15*	**2,209**		2,147	
		2,209		2,147	
Creditors: amounts falling due within one year	*17*	**(8,870)**		(8,797)	
Net current liabilities			**(6,661)**		(6,650)
Total assets less current liabilities			**33,339**		33,350
Net assets			**33,339**		33,350
Capital and reserves					
Called up share capital	*23*		**-**		-
Share premium account			**1,164**		1,164
Reserve for own shares			**(7,954)**		(7,954)
Merger reserve			**27,708**		27,708
Share option reserve			**547**		558
Profit and loss account			**11,874**		11,874
Shareholder's funds			**33,339**		33,350

The Company has made £nil profit or loss during the current financial period (2020: £nil).

The notes on pages 27 to 47 form part of these financial statements.

The financial statements on pages 21 to 26 were approved by the board on 21 October 2021 and were signed on its behalf by:

J V Jenkins
Director

Consolidated Statement of Changes in Equity

For the period ended 01 May 2021

	Share Premium	Own shares held	Merger reserve	Share option reserve	Translation reserve	Profit and loss account	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 28 April 2019	**1,164**	**(7,807)**	**27,708**	**594**	**(39)**	**6,142**	**27,762**
Loss for the financial period	-	-	-	-	-	(14,349)	(14,349)
Transactions with owners, recorded directly in equity							
Own shares acquired	-	(147)	-	-	-	-	(147)
Share based payments credit	-	-	-	(36)	-	-	(36)
Effect of movement in foreign exchange	-	-	-	-	(17)	-	(17)
Total contributions by and distributions to owners	-	(147)	-	(36)	(17)	-	(200)
Balance at 02 May 2020	**1,164**	**(7,954)**	**27,708**	**558**	**(56)**	**(8,207)**	**13,213**
Loss for the financial period	-	-	-	-	-	(10,948)	(10,948)
Transactions with owners, recorded directly in equity							
Own shares acquired	-	-	-	-	-	-	-
Share based payments credit	-	-	-	(11)	-	-	(11)
Effect of movement in foreign exchange	-	-	-	-	69	-	69
Total contributions by and distributions to owners	-	-	-	(11)	69	-	58
Balance at 01 May 2021	**1,164**	**(7,954)**	**27,708**	**547**	**13**	**(19,155)**	**2,323**

The notes on pages 27 to 47 form part of these financial statements.

Company Statement of Changes in Equity
for the period ended 01 May 2021

	Share Premium	Own shares held	Merger reserve	Share option reserve	Profit and loss account	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 28 April 2019	**1,164**	**(7,807)**	**27,708**	**594**	**11,874**	**33,533**
Transactions with owners, recorded directly in equity						
Own shares acquired	-	(147)	-	-	-	(147)
Share based payments charge	-	-	-	(36)	-	(36)
Balance at 02 May 2020	**1,164**	**(7,954)**	**27,708**	**558**	**11,874**	**33,350**
Transactions with owners, recorded directly in equity						
Share based payments credit	-	-	-	(11)	-	(11)
Balance at 01 May 2021	**1,164**	**(7,954)**	**27,708**	**547**	**11,874**	**33,339**

The notes on pages 27 to 47 form part of these financial statements.

Consolidated Cash Flow Statement
for the period ended 01 May 2021

	Note	01 May 2021 £000	02 May 2020 £000
Cash flows from operating activities			
Operating loss for the period		**(10,290)**	**(17,972)**
Adjustments for:			
Depreciation and impairment of tangible assets	*5*	2,880	8,452
Amortisation and impairment of intangible assets	*5*	1,766	2,689
Loss on disposal of fixed assets	*5*	59	135
Foreign exchange (loss)/gain	*9*	(2,564)	121
Amortisation of loan issue costs	5	309	56
Share based payment credit	*24*	(11)	(36)
Decrease/(Increase) in stocks	*14*	1,332	(3,335)
(Increase)/ Decrease in debtors	*15,16*	(283)	2,126
Increase/(Decrease) in creditors	*17,18*	2,868	7,792
Increase/(Decrease) in provisions	*20*	104	3,717
Taxation	*10*	220	11
Net cash from operating activities		**(3,610)**	**3,756**
Cash flows from investing activities			
Interest received	8	6	42
Acquisition of tangible fixed assets	*12*	(574)	(1,165)
Acquisition of intangible fixed assets	*11*	(720)	(3,005)
Proceeds for sale of equipment		2	-
Foreign exchange losses	*12*	3	110
Net cash from investing activities		**(1,283)**	**(4,018)**
Cash flows from financing activities			
Interest paid	*9*	(141)	(147)
Purchase of own shares		-	(147)
Net Loan drawn down	*19*	-	2,000
Net cash from financing activities		**(141)**	**1,706**
Net (decrease)/increase in cash and cash equivalents		**(5,034)**	**1,444**
Cash and cash equivalents at the beginning of the period		12,231	10,804
Exchange gains/(losses) on cash and cash equivalents		69	(17)
Cash and cash equivalents at the end of the period		**7,266**	**12,231**

The notes on pages 27 to 47 form part of these financial statements.

Notes

1 Accounting policies

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

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

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

As permitted by Section 408 of the Companies Act 2006, the Profit and Loss account under FRS 102 of the Company is not presented.

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

On the acquisition of a business, fair values, reflecting conditions at the date of acquisition, are attributed to the net assets acquired. Where merger relief is applicable under the UK Companies Act, the difference between the fair value of the business acquired and the nominal value of shares issued as purchase consideration is treated as a merger reserve.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied from:

- preparing a statement of cashflows, on the basis that it is a qualifying entity and the consolidated statement of cashflows, included in these financial statements, includes the company's cashflows;
- disclosing the company key management personnel compensation, as required by FRS 102 paragraph 33.7.
- disclosing share based payment arrangements, required under FRS 102 paragraphs 26.18 (b), 26.19 to 26.21 and 26.23, concerning its own equity instruments, as the company financial statements are presented with the consolidated financial statements and the relevant disclosures are included therein; and
- the financial instrument disclosures, required under FRS 102 paragraphs, 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A, as the information is provided in the consolidated financial statement disclosures.

Going Concern
At the period end, the business held a £15.0m Revolving Credit Facility with Lloyds Bank of which £5.0m was under the Coronavirus Large Business Interruption Loan Scheme. On 28 May 2021, the existing Facility was renewed with a new £15.0m Revolving Credit Facility under the Coronavirus Large Business Interruption Scheme with £10m until 28 May 2024 and £5.0m until 17 July 2023. At the same time, shareholders including members of the executive invested a further £1.5m into the business through a shareholder loan agreement. These facilities are available to the Group and its subsidiaries. The terms of the agreement include quarterly testing of various financial covenants.

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

The directors considered a severe but plausible downside case whereby there is a two month UK and International National lockdowns whereby the stores are closed and the website continues to trade, allowing for mark-down sales post the lockdown and the levers of discretionary and uncommitted costs which the business would manage to mitigate the sales impact. The directors have prudently not included the assumption of any government support such as Business Rates relief or furlough benefit under the government Coronavirus Job Retention Scheme. The directors also considered a decreased Sales sensitivity for next 18 months. Both shows the Group is capable of operating within the facilities and meeting the financial covenant tests.

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

Consideration of climate change
In preparing the financial statements we have considered the impact of climate change. There has not been a material impact on the financial reporting judgements and estimates from our considerations, consistent with our assessment that climate change is not

Notes *(continued)*

1 Accounting policies *(continued)*

expected to have a meaningful impact on the viability of the group in the medium term. In preparing our forecasts, including the rate of revenue and costs growth we have considered the impact of climate change, with no significant impact noted.

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

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

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

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

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

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

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

Software development	- 14% to 33% straight line

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

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

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

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

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

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

Derivative financial instruments
Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are

Notes *(continued)*

1 Accounting policies *(continued)*

subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the Profit and Loss in financial costs or income as appropriate. The company does not currently apply hedge accounting for foreign exchange derivatives.

Basis of consolidation
The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 01 May 2021. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated Profit and Loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own Profit and Loss account.

Goodwill
Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on consolidation in respect of acquisitions is capitalised and stated at cost less accumulated amortisation and any impairment in value. Goodwill is amortised on a straight-line basis over its estimated useful life up to a maximum of 10 years.

Impairment
The carrying amounts of the Group's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its income-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Profit and Loss account. A cash generating unit is on an individual store level, the assessment includes all sales and costs directly associated with that store and also specific allocation of central head office costs and multi-channel driven sales from that store.

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

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

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

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

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

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, Sterling, at foreign exchange rates ruling at the Balance Sheet date. The revenues and expenses of foreign operations are translated at an average rate for the period where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on retranslation are recognised in other comprehensive income.

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

Investments
Investments are stated at fair value less any provision for impairment. An impairment is recognised when the carrying amount of the investment exceeds the recoverable amount from the investment, with the recoverable amount of the investment being based upon the higher of net realisable value or value in use.

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

Notes *(continued)*

1 Accounting policies *(continued)*

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

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

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

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

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

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

Leased assets
All leases held are operating leases and the payments made under them are charged to the Profit and Loss account on a straight-line basis over the lease term. Lease premiums and similar incentives received to enter into operating lease agreements are released to the Profit and Loss account over the life of the lease. Amendments have been made to Section 20 Leases, of FRS 102 in relation to rent concessions due to COVID-19. For any temporary rent concessions occurring as a direct consequence of the COVID-19 Pandemic when any reduction in lease payments affects only payments originally due on or before 30 June 2021, we have recognised the changes in operating lease payments that arise from COVID19-related rent concessions on a systematic basis over the periods that the change in lease payments is intended to compensate.

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

The fair value of incentives granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the incentive. The fair value of the incentive granted is measured using the Black Scholes option pricing model, taking into account the terms and conditions upon which the incentives were granted. The amount recognised as an expense is adjusted to reflect the actual number of share incentives that vest except where forfeiture is only due to share prices not achieving the threshold for vesting.

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

Accounting estimates and judgments
Estimates and judgements are continually evaluated and are based on historical experience and other relevant factors, including management's reasonable expectations of future events. The preparation of the financial statements requires management to make significant accounting estimates and judgements concerning the future. The resulting accounting estimates will, by definition, be

Notes *(continued)*

1 Accounting policies *(continued)*

likely to differ from the related actual results. The estimates and judgements that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

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

post-tax weighted average cost of capital), long-term growth rate, performance projections, grace periods for new stores or new International regions and the wider economic environment. Management satisfied itself that the assumptions used and the resulting impairment charges were reasonable.

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

Carrying amount of investment in the Company is also identified for further impairment testing as above, on the basis of current and projected performance. Management considered the sensitivity of impairment to movements in key assumptions such as discount rate, long term growth rate, capitalised and significant operating costs, and the wider economic environment. Any reasonable possible sensitivity to key inputs could be mitigated through reduction in discretionary spend, including capitalised costs. Management satisfied itself that the assumptions used were reasonable and that there was no resulting impairment charge.

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

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

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

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

Notes *(continued)*

2 Turnover

The total turnover for the Group for the period has been derived solely from the principal retailing activity of its trading company, White Stuff Limited.

Analysis by geographical market	**52 weeks ended 01 May 2021 £'000**	53 weeks ended 02 May 2020 £'000
United Kingdom	**85,265**	121,837
Rest of Europe	**8,247**	11,824
Other	**732**	1,032
	94,244	134,693

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

3 Exceptional items

	52 weeks ended 01 May 2021 £'000	53 weeks ended 02 May 2020 £'000
Exceptional items within administration expenses:		
Impairment loss on intangible assets (note 11)	**397**	1,386
Impairment loss on tangible assets (note 12)	**-**	2,429
Onerous lease provision (note 20)	**(154)**	2,466
Restructuring redundancy costs (note 7)	**1,997**	848
	2,240	7,129

4 Other operating income

	52 weeks ended 01 May 2021 £'000	53 weeks ended 02 May 2020 £'000
Grant income	**6,155**	1,078
Rental income	**53**	104
	6,208	1,182

Grant income of £6,155k includes £5,316k (2020: £1,032k) recognised under the UK government Coronavirus Job Retention Scheme and German Kurzarbeit Short Time Work Benefit Scheme, and £839k (2020: £46k) received under the Small Business Rates Relief grants. There are no unfulfilled conditions or other contingencies relating to the Grants.

Notes *(continued)*

5 Operating loss

Operating loss is stated after charging:

	52 weeks ended 01 May 2020 £'000	53 weeks ended 02 May 2020 £'000
Amortisation of loan costs	**309**	55
Depreciation on tangible assets (note 12)	**2,880**	6,023
Amortisation on intangible assets (note 11)	**1,369**	1,303
Impairment loss on tangible assets (note 12)	**-**	2,429
Impairment loss on intangible assets (note 11)	**397**	1,386
Onerous lease provision (note 20)	**(154)**	2,466
Exceptional items (restructuring costs) within administration expenses	**1,997**	848
Hire of other assets – operating leases [1]	**9,044**	13,316
Loss on disposal of tangible assets	**59**	135
Auditors' remuneration:		
- Audit of the Company's financial statements	**41**	48
- Audit of the Company's subsidiary pursuant to legislation	**84**	108
- Other services in relation to taxation advise	**136**	121

The remuneration of the auditors is paid by White Stuff Limited.

[1] Operating leases have decreased from £13,316k to £9,044k due to rent free periods and negotiated rent reductions as a result of national lockdowns during the pandemic.

6 Remuneration of directors

None of the directors received any remuneration from the Company during the period. The directors' emoluments are paid by the Company's subsidiary White Stuff Limited which has the same directors as the Company.

	52 weeks ended 01 May 2021 £'000	53 weeks ended 02 May 2020 £'000
Directors' remuneration	**870**	847
Contributions to defined contribution pension scheme	**17**	19
Total directors' emoluments	**887**	866

The total amount payable to the highest paid director in respect of emoluments was £417k (2020: £414k), including pension contributions of £4k (2020: £10k). The number of directors to whom pensions are accruing at the end of the period is one (2020: two).

Notes *(continued)*

7 Staff numbers and costs

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

	52 weeks ended 01 May 2021 No.	53 weeks ended 02 May 2020 No.
Head office	**183**	281
Warehouse	**74**	75
Retail shops	**988**	1,390
	1,245	1,746

The aggregate payroll costs of these persons were as follows:

	52 weeks ended 01 May 2021 £'000	53 weeks ended 02 May 2020 £'000
Wages and salaries	**24,078**	31,095
Social security costs	**1,773**	2,273
Other Pension costs	**688**	879
	26,539	34,247

The aggregate payroll costs includes £1,997k (2020: £848k) restructuring redundancy costs but excludes £(5,316)k (2020: £1,032k) reduction in payroll recognised under Grant Income through the government Coronavirus Job Retention Scheme.

The Company had no employees; all employees are employed by subsidiary companies.

White Stuff Group Limited operates an Unapproved Share Option Scheme. The total share based payment credit for the period ended 01 May 2021 was £(11)k and £16k national insurance accrual (2020: £(36)k credit) which relates to options granted to employees over shares in the parent company White Stuff Group Limited.

8 Interest receivable and similar income

	52 weeks ended 01 May 2021 £'000	53 weeks ended 02 May 2020 £'000
Bank interest	**6**	42
Foreign exchange gains on derivatives	**-**	121
	6	163

9 Interest payable and similar expenses

	52 weeks ended 01 May 2021 £'000	53 weeks ended 02 May 2020 £'000
Bank interest	**141**	147
Foreign exchange loss on derivatives	**2,564**	-
	2,705	147

Notes *(continued)*

10 Tax on loss

Analysis of charge in period

	52 weeks ended 01 May 2021 £'000	53 weeks ended 02 May 2020 £'000
UK corporation tax		
UK corporation tax on losses for the period	-	-
Adjustments in respect of previous periods	13	(73)
R&D expenditure credit		(41)
Foreign tax suffered	2	11
Total current tax	15	(103)
Deferred tax (note 22)		
Origination and reversal of timing differences	(2,030)	(2,937)
Adjustments in respect of previous periods	150	75
Effect of changes in tax rates	-	(118)
Foreign subsidiary trading losses carried forward	(176)	(524)
Total deferred tax	(2,041)	(3,504)
Total tax credit per income statement	(2,041)	(3,607)

Factors affecting the tax charge for the current period

The current tax charge for the period is the higher (2020: higher) than the standard rate of corporation tax in the UK. The average rate is 19.00% in 2021 (2020: 19.00%). The differences are explained below.

	52 weeks ended 01 May 2021 £'000	53 weeks ended 02 May 2020 £'000
Charge for the period can be reconciled to the loss per the Profit and Loss statement as follows:		
Loss before taxation	(12,989)	(17,956)
Current tax at 19.00% (2020: 19.00 %)	(2,468)	(3,412)
Effects of:		
Expenses not deductible	396	225
Income not taxable	(205)	-
Effects of overseas tax rates	74	(257)
Adjustments in respect previous periods	164	3
R&D expenditure credit	-	(41)
Tax rate changes	-	(118)
Deferred tax not provided	(2)	-
Share options	-	(7)
Total current tax credit	(2,041)	(3,607)

The UK deferred tax asset at 01 May 2021 has been calculated based on the corporation tax rate that is expected to apply when the asset is settled.

Changes in the UK corporation tax were substantively enacted as part of the Finance Act 2020. These included the reversal to the previously enacted reductions to the main rate to maintain the rate at 19% from 1 April 2020.

Notes *(continued)*

10 Tax on loss *(continued)*

In addition to the changes in rates of corporation tax disclosed, a number of further changes to the UK corporation tax system were announced in the March 2021 UK Budget statement. The main rate of corporate tax was increased to 25% from 1 April 2023. This rate increase was substantively enacted at the balance sheet date and is reflected in the financial statements.

Tax credit of £381k, included in the Consolidated Profit and Loss Account, on exceptional costs of £2,240k is calculated on the basis that in the UK, impairment loss on intangible assets, onerous lease provisions and restructuring costs are tax deductible at 19.0% but in Germany onerous lease provisions are not tax deductible.

11 Intangible assets – Group

	Goodwill	Software Development	Total
	£'000	£'000	£'000
Cost			
At 03 May 2020	110,839	9,823	120,662
Additions	-	720	720
Disposals	-	-	-
At 01 May 2021	**110,839**	**10,543**	**121,382**
Impairment			
At 03 May 2020	(70,598)	(1,386)	(71,984)
Charge for period	-	(397)	(397)
At 01 May 2021	**(70,598)**	**(1,783)**	**(72,381)**
Accumulated Amortisation			
At 03 May 2020	(40,241)	(2,213)	(42,454)
Charge for period	-	(1,369)	(1,369)
At 01 May 2021	**(40,241)**	**(3,582)**	**(43,823)**
Net Book Value			
At 01 May 2021	-	**5,178**	**5,178**
At 02 May 2020	-	6,224	6,224

Goodwill relates to the acquisition of White Stuff Limited, a 100% subsidiary of White Stuff Group Limited.

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

The business continues to review its' strategic priorities and following completion of a cost vs benefit analysis on the IT investment roadmap has concluded that an impairment of certain intangible assets was necessary. As a result, an impairment loss was recognised for the period ended 01 May 2021 of £397k (2020: £1,386k). By virtue of the size of the charge, and consistency with the prior year the charge has been recognised as exceptional.

Notes *(continued)*

12 Tangible assets - Group

	Land and buildings leasehold	Plant, machinery, fixtures and fittings	Motor vehicles	Computer equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 03 May 2020	15,557	32,262	70	10,721	58,610
Additions	-	567	-	7	574
Disposals	-	(141)	(4)	-	(145)
Effects of movement in foreign exchange	(3)	(26)	-	(1)	(30)
At 01 May 2021	**15,554**	**32,662**	**66**	**10,727**	**59,009**
Accumulated Depreciation					
At 03 May 2020	(14,430)	(27,751)	(65)	(10,309)	(52,555)
Charge for period	(433)	(2,147)	-	(300)	(2,880)
Impairment loss	-	-	-	-	-
On disposals	-	82	4	-	86
Effects of movement in foreign exchange	5	21	-	1	27
At 01 May 2021	**(14,858)**	**(29,795)**	**(61)**	**(10,608)**	**(55,322)**
Net book value					
At 01 May 2021	**696**	**2,867**	**5**	**119**	**3,687**
At 02 May 2020	1,127	4,511	5	412	6,055

The carrying amount of tangible fixed assets on the Balance Sheet are dependent on the estimates of future profits and cash flows arising from the Company's operations. The key assumptions for the value used in calculating any impairment loss are regarding expected like-for-like sales growth rates to individual stores, respective impact on costs and discount rates applied to the forecast future cash flows. Management estimates discount rates using a post-tax discount rate based on the weighted average cost of capital for the Company of 11.15%.

In light of the ongoing economic uncertainty, management continue to reassess the impact on the retail store sales together with the ongoing mix of retail and online sales. Management have assessed and estimated future business performance and cash flow projections for its retail stores. The directors have considered indications of impairment and no impairment loss was recognised in the period (2020: £2,429k which was recognised as exceptional).

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

Notes *(continued)*

13 Investments – Company

	Investment in subsidiary £'000
Cost	
At beginning and end of the period	**115,061**
Impairment	
At beginning and end of the period	**(75,061)**
Net book value	
At 01 May 2021	**40,000**
At 02 May 2020	40,000

The directors have considered indications of impairment and no impairment loss was recognised in the period (2020: £nil).

Management's test involved comparing the carrying amount of investment to the recoverable amount determined from value-in-use calculations. The key assumptions for the value-in-use calculations include those regarding adjusted EBITDA, discount rates and growth rates. The value-in-use assessment included cash flow projections for the next four years using data from the Group's financial forecasts approved by the board, assumes a terminal growth rate of 2.50% beyond the projection period and a weighted average cost of capital (WACC) of 11.15% has been applied.

A sensitivity analysis has been performed using a discount rate up to 14.15% and a sensitivity of a 15.0% decrease in annual cash flow projections. Under these assumptions and sensitives no impairment exists.

The principal undertakings in which the Group's interest at the period end is more than 20% are as follows:

Subsidiary and associated undertaking	Country of incorporation	Registered office address	Principle activity	Class and percentage of shares held
White Stuff Limited	England and Wales	Canterbury Court Kennington Park 1-3 Brixton Road London SW9 6DE	Designer and retailer of women's and men's clothing and accessories.	100% ordinary shares
White Stuff (Germany) GmbH	Germany	Theresienhohe 30 c/o Panazee Consulting GmbH 80339 München Germany	Retailer of women's and men's clothing and accessories.	100% ordinary shares

When the Company acquired at least a 90% equity holding in White Stuff Limited and the shares issued in consideration were issued at a premium, merger relief was available. The directors have recorded the investment at fair value. The premium on the shares issued was classified as a merger reserve.

Notes *(continued)*

14 Stocks

	01 May 2021		02 May 2020	
	Group £'000	**Company £'000**	Group £'000	Company £'000
Finished goods and goods for resale	**19,827**	-	21,159	-

There is no material difference between the replacement cost of stocks and the amounts stated above. Finished goods and goods for resale recognised as cost of sales in the period for the Group amounted to £41.4m (2020: £53.2m).

15 Debtors: amounts falling due within one year

	01 May 2021		02 May 2020	
	Group £'000	**Company £'000**	Group £'000	Company £'000
Trade debtors (1)	**4,114**	-	1,291	-
Derivative financial assets (2)	-	-	996	-
Corporation tax	-	-	268	-
Other debtors	**2,389**	**2,209**	2,460	2,147
Other taxation and social security	-	-	1,016	-
Prepayments and accrued income	**582**	-	923	-
	7,085	**2,209**	6,954	2,147

(1) Trade debtors of £4,114k (2020: £1,291k). The prior period end was impacted by national lockdowns at the start of the pandemic.

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

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

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

As at the period end, there are derivative liabilities £(1,138)k (see note 17, 18 and 21) (2020: derivative assets £996k due within one year and £430k due after one year) due to a change in period end exchange rates and average booked forward foreign exchange contract.

Notes *(continued)*

16 Debtors: amounts falling due after one year

	01 May 2021		02 May 2020	
	Group	**Company**	Group	Company
	£'000	**£'000**	£'000	£'000
Deferred tax asset	**6,933**	**-**	4,878	-
Derivative financial assets [1]	**-**	**-**	430	-
	6,933	**-**	5,308	-

[1] The prior year derivative assets relates to foreign exchange deals booked 13 to 24 months forward.

17 Creditors: amounts falling due within one year

	01 May 2021		02 May 2020	
	Group	**Company**	Group	Company
	£'000	**£'000**	£'000	£'000
Bank loans and overdrafts (see note 19) [1]	**8,000**	**-**	8,000	-
Trade creditors	**13,043**	**-**	16,895	-
Amounts owed to Group undertakings [2]	**-**	**8,841**	-	8,749
Corporation tax	**14**	**13**	48	48
Other taxation and social security	**3,568**	**-**	-	-
Other creditors	**1,170**	**-**	1,392	-
Derivative liabilities [3]	**931**	**-**	-	-
Accruals and deferred income	**16,190**	**16**	13,957	-
	42,916	**8,870**	40,292	8,797

[1] The £8.0m bank loan is borrowed under the Lloyds Bank £15.0m Revolving Credit Facility secured to the end of the term.

[2] Amounts owed to Group undertakings are interest free and repayable on demand.

[3] Included in total derivative liabilities is a £207k non-current liability (2020: £nil) (see note 18) which relates to foreign exchange deals booked 13 to 24 months forward and is due after more than one year.

18 Creditors: amounts falling due after one year

	01 May 2021		02 May 2020	
	Group	**Company**	Group	Company
	£'000	**£'000**	£'000	£'000
Derivative liabilities [1]	**207**	**-**	-	-
	207	**-**	-	-

[1] Derivative liabilities relate to foreign exchange deals booked 13 to 24 months forward and is due after more than one year.

Notes *(continued)*

19 Borrowings

At the period end, the business held a £15.0m Revolving Credit Facility with Lloyds Bank of which £5.0m was under the Coronavirus Large Business Interruption Loan Scheme. On 28 May 2021, the existing Facility was renewed with a new £15.0m Revolving Credit Facility under the Coronavirus Large Business Interruption Scheme with £10.0m until 28 May 2024 and £5.0m until 17 July 2023. All banking facility covenants have been complied with and continue to be complied with and at the period end the business had drawn down £8.0m under its facilities (2020: £8.0m) and £7.0m remained unutilised.

Of the £8.0m drawn down at the period end, £3.0m was repaid in August 2021 leaving only £5.0m drawn down to cover working capital requirements and £10.0m unutilised. Interest is charged on the borrowings at a margin plus base rate.

20 Provisions for liabilities

	Onerous lease provision	Property provision	Other provisions	Total
	£'000	£'000	£'000	£'000
At 03 May 2020	2,475	1,891	60	4,426
Utilised during the period	(606)	(31)	-	(637)
Charge to the Profit and Loss account	470	145	144	759
Effects of movement in foreign exchange	(18)	-	-	(18)
At 01 May 2021	**2,321**	**2,005**	**204**	**4,530**

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

The key assumptions for the value used in calculating any onerous lease provision are regarding expected like-for-like sales growth rates to individual stores, respective impact on costs and discount rates applied to the forecast future cash flows. Management estimates discount rates using a risk-free rate for the Company of 1.29%.

As a result, an onerous lease provision was recognised for the period ended 01 May 2021 of £470k (2020: £2,466) and a £(606)k charge was utilised in the year relating to prior year onerous leases. By virtue of the size of the charge and consistent with the prior year, the net charge/(credit) has been recognised as exceptional.

The expected retail growth in like-for-like stores sales are a source of significant estimation uncertainty and a future change to the assumption of sales growth would result in a reassessment of the value in use and could give rise to a change in the impairment recognised. A decrease of 1% to the assumed annual like-for-like forecasted sales would result in a further onerous lease charge of £195k in the period.

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

Notes *(continued)*

21 Financial instruments

	01 May 2021		02 May 2020	
	Group	**Company**	Group	Company
	£'000	**£'000**	£'000	£'000
Financial assets that are debt instruments measured at amortised cost:				
- Trade debtors (note 15)	**4,114**	**-**	1,291	-
- Other debtors (note 15)	**2,389**	**2,209**	2,460	2,147
	6,503	**2,209**	3,751	2,147
Financial liabilities and assets measured at fair value through profit and loss:				
- Derivative financial (liabilities)/assets (notes 15, 16, 17, 18)	**(1,138)**	**-**	1,426	-
	(1,138)	**-**	1,426	-
Financial liabilities measured at amortised cost:				
- Bank loans and overdrafts (note 17, 19)	**(8,000)**	**-**	(8,000)	-
- Trade creditors (note 17)	**(13,043)**	**-**	(16,895)	-
- Other creditors (note 17)	**(1,170)**	**-**	(1,392)	-
	(22,213)	**-**	(26,287)	-

22 Deferred tax

The deferred tax asset relates to the following:

	01 May 2021		02 May 2020	
	Group	**Company**	Group	Company
	£'000	**£'000**	£'000	£'000
Fixed asset timing differences	**1,688**	**-**	2,007	-
Foreign subsidiary trading losses	**993**	**-**	808	-
Short term timing differences - trading	**268**	**-**	(227)	-
Losses	**3,974**	**-**	2,280	-
R&D expenditure credit	**10**	**-**	10	-
Deferred tax asset	**6,933**	**-**	4,878	-

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

There is an unrecognised deferred tax asset of £104k (2020: £106k) relating to employee share schemes.

Notes *(continued)*

23 Called up share capital

	01 May 2021	02 May 2020
	£	£
Allotted and called up		
300,000 (2020: 300,000) Ordinary shares of £0.001 each	**300**	300
14,500 (2020: 14,500) Ordinary 'A' shares of £0.001 each	**15**	15
71,272 (2020: 67,479) Ordinary 'B' shares of £0.001 each	**71**	67
372,800 (2020:752,150) ordinary 'C' shares of £0.00001 each	**4**	7
	390	389

The Company is authorised to issue a total of 300,000 Ordinary shares of £0.001 each, 85,772 Ordinary A and B shares of £0.001 each and 372,800 Ordinary C shares of £0.00001 each.

At the Balance Sheet date, all shares were fully paid (2020: all shares fully paid).

Certain senior management of White Stuff Limited holds A or B Ordinary shares in White Stuff Group Limited. The Articles of Association of White Stuff Group Limited define 'Good leavers' and 'Bad Leavers' where a Bad Leaver is an employee shareholder leaving the business because of voluntary resignation or whose employment has been terminated without breach of their contract of employment. All other employee-shareholders leaving the business are Good Leavers. On leaving the business, the Articles require that B Ordinary shares are surrendered at the Bad Leaver price, being lower of the fair value and the subscription price. Good leavers holding A ordinary shares are required to surrender them at the higher of the subscription price or the price formula set out in the Company's Articles reflecting the continued growth of the business. Bad leavers holding A ordinary shares are required to surrender them at the Bad Leaver price.

As at 1 May 2021, the Company operated an Unapproved Share Option Scheme ("USOP") and a Joint Share Ownership Plan ("JSOP"). Under the USOP, selected employees are granted options over shares in the company which can only be exercised when the company floats or when there is a change in control of the Company, or, where options have been granted by virtue of length of service, on the third anniversary of the date of grant. This plan has been accounted for in Share Based Payments charge. Under the JSOP, selected employees acquire an interest in shares which is held jointly with the trustee of the company's employee benefit trust. The value of the shares over an agreed hurdle rate accrues to the participating employee, while the trustee retains the right to the share value up to the hurdle rate value.

The Company has established an Employee Benefit Trust for the purpose of facilitating the transfer of shares for the benefit of employees of the Group including the settlement of awards granted under its share incentive schemes, details of which can be found in note 24. The trust acquired the shares at the market value at the date of acquisition. The trustee is VG Corporate Trustees Limited and is resident in Jersey. At the Balance Sheet date, 63,837 B Ordinary shares and 372,800 C Ordinary shares were held by the Trust (2020: 60,444 B Ordinary shares and 752,100 C Ordinary shares), including 50,375f B Ordinary shares (2020: 30,532) held under the terms of the JSOP scheme.

When share incentives are awarded to employees, the fair value of the incentive at the date of grant is charged to the income statement over the vesting period. Certain awards carry a vesting condition that is contingent on an exit event (such as the sale of the Company or a change of control). In these cases, management use their best estimate of the expected vesting period at the end of each reporting date. The fair value of the incentive granted is measured using the Black Scholes option pricing model, taking into account the terms and conditions upon which the options were granted.

Volatility was determined by reference to the historical volatility of a group of similar companies listed on the London Stock Exchange over a period that is generally commensurate with the expected term of the option. The expected term is the expected period of time between the grant date and the date the options will be exercised. The options have no performance conditions attached. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance Sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest.

Notes *(continued)*

24 Share based payments

The total share based payments in the Profit and Loss account for the period ended 1 May 2021 was a £11k credit (2020: £36k credit) which has been recognised in the White Stuff Limited Profit and Loss account, being the company for which employees provide the services.

The number and weighted average exercise prices of share options for the Unapproved Share Option Scheme B during the period were as follows:

	01 May 2021		02 May 2020	
	Weighted average exercise price per share £	**Number of options**	Weighted average exercise price per share £	Number of options
Outstanding at the beginning of the period	**88.98**	**17,130**	105.14	10,930
Granted during the period	**1.00**	**21,651**	80.82	10,300
Forfeited/cancelled during the period	**69.93**	**(21,863)**	111.58	(4,100)
Outstanding at the end of the period	**1.00**	**16,918**	88.98	17,130

The number and weighted average exercise prices of share options for the Unapproved Share Option Scheme C during the period were as follows:

	01 May 2021		02 May 2020	
	Weighted average exercise price per share £	**Number of options**	Weighted average exercise price per share £	Number of options
Outstanding at the beginning of the period	**0.53**	**388,950**	0.58	401,150
Granted during the period	**-**	**-**	0.47	65,300
Forfeited/cancelled during the period	**0.53**	**(161,450)**	0.72	(77,500)
Outstanding at the end of the period	**0.54**	**227,500**	0.53	388,950

Notes *(continued)*

24 Share based payments *(continued)*

The number and weighted average exercise prices of share options for the Joint Share Ownership Plan during the period were as follows:

	01 May 2021		02 May 2020	
	Weighted average exercise price per share £	**Number of options**	Weighted average exercise price per share £	Number of options
Outstanding at the beginning of the period	**72.53**	**30,532**	74.42	33,258
Granted during the period	**1.00**	**50,375**	-	-
Forfeited/cancelled during the period	**72.53**	**(30,532)**	95.64	(2,726)
Outstanding at the end of the period	**1.00**	**50,375**	72.53	30,532

The Company did not enter into any share-based payment transactions with parties other than employees during the current or prior period.

The following information is relevant in the determination of the fair value of the incentives granted under the equity-settled share based remuneration schemes operated by White Stuff Group Limited.

	USOP B	**USOP C**	**JSOP**
Weighted average fair value of options at the measurement date	£0.78	£0.18	£0.78
Weighted average share price	£1.00	£0.67	£1.00
Weighted average exercise price	£1.00	£0.54	£1.00
Weighted average option life	4.76 years	2.99 years	6.13 years
Expected volatility	110%	20%- 30%	110.00%
Expected dividends	0.00%	0.00%	0.00%
Risk free interest rate	0.08%	0.45% - 0.95%	0.08%

The options and JSOPS outstanding at the period end have an exercise price in the range of £0.42 to £2.11 and a weighted average remaining contractual life of 4.4 years.

Notes *(continued)*

25 Commitments

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

	01 May 2021		02 May 2020	
	Group	**Company**	Group	Company
	£'000	**£'000**	£'000	£'000
Contracted but not provided for	**251**	-	30	-

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

	Land and Buildings	**Land and Buildings**	Land and Buildings	Land and Buildings
	01 May 2021		02 May 2020	
	Group	**Company**	Group	Company
	£'000	**£'000**	£'000	£'000
Other operating leases expiring:				
- within one year	**610**	-	1,069	-
- in two to five years	**26,701**	-	23,009	-
- after five years	**15,752**	-	30,440	-
	43,063	-	54,518	-

Total operating leases charges through the Profit and Loss during 2021 amounts to £11,676k (2020: £14,087k).

26 Pension scheme

The Company has operated a defined contribution pension scheme open to qualifying employees since May 2010. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension charge amounted to £688k (2020: £879k). There were outstanding contributions of £nil at the end of the financial period (2020: £59k). During the year £32k was receivable from the government under the Coronavirus Job Retention Scheme (2020: £13k).

Notes *(continued)*

27 Related party disclosures

During the period the Group paid £140k (2020: £342k) in respect of shop-fitting services to a company (Workshop Limited) associated with a family member of one director (S G Thomas).

During the period the Group paid £nil (2020: £6k) in respect of rent of one shop (2020: one) to companies that are associated with one of the directors. A D M Hewitt association with this company ended 15 May 2019.

During the period, the Group generated charitable donations of £274k for the White Stuff Foundation (2020: £312k) through a combination of direct charitable donations, fundraising initiatives carried out by our shops and employees, which are collected on behalf of the Foundation, and gifts in kind.

Total compensation of key management personnel (including the directors) in the period amounted to £1,797k (2020: £2,017k).

Loans to directors:
At the period end, J V Jenkins had an outstanding loan for £111k from the Company (2020: £80k), N C H Mather had an outstanding loan for £11k from the Company (2020: £nil) and A D M Hewitt had an outstanding loan for £8k from the Company (2020: £nil). The loans are non-interest bearing and are repayable in accordance with the terms of the loan agreement between the individuals and the Company.

Loans from directors:
After the period end, certain directors loaned a total of £1,500k to the Company, in a proportion linked to their respective shareholding in the company. The loans are non-secured, non-interest bearing and repayable in accordance with the terms of the loan agreements and subordination deed between the lenders, the Company and the Company's bankers.

The Group has utilised the exemption under FRS 102 not to disclose any transactions with its subsidiary White Stuff Limited.

Transactions between the Company and its subsidiary, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

28 Post Balance Sheet Events

After the period end, certain directors loaned a total of £1.5m to the Company, in accordance with their beneficial interest in the company's shares. The loan is non-secured, non-interest bearing and repayable in accordance with the terms of the loan agreements and subordination deed between the lenders, the Company and the Company's bankers.

On 28 May 2021, the existing £15.0m Revolving Credit Facility was renewed with a new £15.0m Revolving Credit Facility under the Coronavirus Large Business Interruption Scheme with £10.0m until 28 May 2024 and £5.0m until 17 July 2023. The terms of the agreement include quarterly testing of various financial covenants and continue to be complied with after the period end.

Of the £8.0m drawn down under the Revolving Credit Facility at the period end, £3.0m was repaid in August 2021 leaving only £5.0m drawn down to cover working capital requirements and £10.0m unutilised.