Registered number: 07499836

SKINNYDIP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 1 JANUARY 2022

COMPANY INFORMATION

Directors	R Gold J Gold L Blitz
Company secretary	N Blitz
Registered number	07499836
Registered office	64 New Cavendish Street London W1G 8TB
Independent auditors	Harris & Trotter LLP Chartered Accountants and Statutory Auditors 64 New Cavendish Street London W1G 8TB

CONTENTS

STRATEGIC REPORT
FOR THE PERIOD ENDED 1 JANUARY 2022

Introduction

The directors present the strategic report for the period ended 01 January 2022.

Skinnydip was born in 2011 to satisfy the demand for fashion led designed phone cases. The brand has since expanded to include clothing, beauty and technology driven by a desire to be innovative, unique, imaginative, ethical and on-trend.

Sales are delivered through four channels; owned physical stores, concessions, wholesale and on-line.

Products are designed and sourced by teams at our London HQ and delivered to customers around the world.

Performance during the period

2021 results were again heavily influenced by the worldwide pandemic which impacted the four operating channels of the business in a myriad of ways.

Total turnover was significantly lower compared to the prior year principally due to the return of the wholesale division to a more normalized level, having been boosted in 2020 by sanitizer sales.

Online sales improved modestly year on year but which was still particularly pleasing given that this growth was achieved on last years improvement of 45%.

Gross margins improved to 34.2% compared to 2020 28.5%, as the channel sales mix tilted away from wholesale, back to retail.

With the continued restrictions on physical retail both our store and concession channels suffered with turnover down 34% but with the caveat that a new concession partnership showed promising growth.

Administrative expenses were 19.7% lower than prior year at £5.26m, leaving a Profit before Tax of £101,262.

Principal risks and uncertainties

Future Developments

Despite the inflationary and recessionary headwinds being felt in 2022 the directors remain confident that the multi-channel strategy has the advantage of spreading business risks whilst providing ample opportunities for the brand to leverage existing customers and markets in addition to exploiting new ones.

STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 1 JANUARY 2022

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

J Gold
Director
Date: 29 September 2022

DIRECTORS' REPORT
FOR THE PERIOD ENDED 1 JANUARY 2022

The directors present their report and the financial statements for the period ended 1 January 2022.

Directors' responsibilities statement

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

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

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Principal activity

The principal activity of the company continued to be that of wholesalers and retailers of fashion accessories.

Results and dividends

The profit for the period, after taxation, amounted to £84,877 *(2021 - £4,105,735)*.

Directors

The directors who served during the period were:

R Gold
J Gold
L Blitz

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 1 JANUARY 2022

Disclosure of information to auditors

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

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

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

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

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

J Gold
Director

Date: 29 September 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SKINNYDIP LIMITED

Opinion

We have audited the financial statements of Skinnydip Limited (the 'Company') for the period ended 1 January 2022, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 1 January 2022 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SKINNYDIP LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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:
The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

• We obtained an understanding of the legal and regulatory frameworks applicable to the Company and the industry in which it operates. We determined that the following laws and regulations were most significant: FRS 102 and the Companies Act 2006.

• We obtained an understanding of how the Company is complying with those legal and regulatory frameworks by making enquiries of management.

• We challenged assumptions and judgments made by management in its significant accounting estimates.

We did not identify any key audit matters relating to irregularities, including fraud.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SKINNYDIP LIMITED (CONTINUED)

Use of our report

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

Stephen Haffner (Senior Statutory Auditor)

for and on behalf of
Harris & Trotter LLP

Chartered Accountants and Statutory Auditors

64 New Cavendish Street
London
W1G 8TB

29 September 2022

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 1 JANUARY 2022

	Note	1 January 2022 £	2 January 2021 £
Turnover	3	**14,646,447**	*37,806,226*
Cost of sales		**(9,639,619)**	*(27,021,574)*
Gross profit		**5,006,828**	*10,784,652*
Administrative expenses		**(5,256,093)**	*(6,545,810)*
Other operating income	4	**361,923**	*757,521*
Operating profit	5	**112,658**	*4,996,363*
Interest payable and similar expenses	8	**(11,396)**	*(88,261)*
Profit before tax		**101,262**	*4,908,102*
Tax on profit	9	**(16,385)**	*(802,367)*
Profit for the financial period		**84,877**	*4,105,735*
Other comprehensive income for the period			
Total comprehensive income for the period		**84,877**	*4,105,735*

The notes on pages 13 to 25 form part of these financial statements.

BALANCE SHEET
AS AT 1 JANUARY 2022

	Note		2022 £		*2021 £*
Fixed assets					
Tangible assets	11		**220,664**		*126,382*
			220,664		*126,382*
Current assets					
Stocks	12	**976,996**		*860,975*	
Debtors: amounts falling due within one year	13	**5,941,064**		*9,621,655*	
Cash at bank and in hand	14	**1,079,030**		*1,081,959*	
		7,997,090		*11,564,589*	
Creditors: amounts falling due within one year	15	**(3,353,326)**		*(6,927,805)*	
Net current assets			**4,643,764**		*4,636,784*
Total assets less current liabilities			**4,864,428**		*4,763,166*
Provisions for liabilities					
Deferred tax	17	**(41,926)**		*(25,541)*	
			(41,926)		*(25,541)*
Net assets			**4,822,502**		*4,737,625*
Capital and reserves					
Called up share capital	18		**99**		*99*
Profit and loss account	19		**4,822,403**		*4,737,526*
			4,822,502		*4,737,625*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 September 2022.

J Gold
Director

The notes on pages 13 to 25 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 1 JANUARY 2022

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2020	99	781,791	781,890
Profit for the year	-	4,105,735	4,105,735
Dividends: Equity capital	-	(150,000)	(150,000)
At 2 January 2021	99	4,737,526	4,737,625
Profit for the period	-	84,877	84,877
At 1 January 2022	99	4,822,403	4,822,502

The notes on pages 13 to 25 form part of these financial statements.

1. General information

Skinnydip Limited is a private company limited by shares incorporated in England and Wales.

The registered office is 64 New Cavendish Street, London, W1G 8TB. The principal place of business is 2 Centric Close, Oval Road, London, NW1 7EP.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

2.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2. Accounting policies (continued)

2.4 Revenue

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

Sale of goods

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

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

2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.6 Finance costs

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

2.7 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.8 Pensions

Defined contribution pension plan

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

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

2. Accounting policies (continued)

2.9 Current and deferred taxation

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

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.10 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Plant and machinery	-	20%	on reducing balance method
Motor vehicles	-	20%	on reducing balance method
Fixtures and fittings	-	20%	on reducing balance method
Computer equipment	-		

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

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

2. Accounting policies (continued)

2.11 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

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

2.12 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 Cash and cash equivalents

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

2.14 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.16 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an

2. Accounting policies (continued)

2.16 Financial instruments (continued)

out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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

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

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.17 Dividends

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

3. Turnover

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

	1 January 2022	*2 January 2021*
	£	*£*
Wholesale	**5,341,093**	*27,838,454*
Store	**270,645**	*550,323*
Web	**7,429,319**	*7,106,868*
Concessions	**1,605,390**	*2,310,581*
	14,646,447	*37,806,226*

Analysis of turnover by country of destination:

	1 January 2022	*2 January 2021*
	£	*£*
United Kingdom	**10,849,692**	*35,239,165*
Rest of Europe	**424,526**	*451,452*
Rest of the world	**3,372,229**	*2,115,609*
	14,646,447	*37,806,226*

4. Other operating income

	1 January 2022	*2 January 2021*
	£	*£*
Ground rent receivable	**11,714**	-
Royalty receivable	**230,599**	*241,544*
Government grants receivable	**119,610**	*515,977*
	361,923	*757,521*

5. Operating profit

The operating profit is stated after charging:

	1 January 2022	*2 January 2021*
	£	*£*
Exchange differences	**57,888**	*298,872*
Auditors remuneration	**27,500**	*27,500*
Depreciation of owned tangible fixed assets	**30,097**	*30,788*

6. Employees

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

	1 January 2022	*2 January 2021*
	£	*£*
Wages and salaries	**1,836,007**	*2,456,970*
Social security costs	**174,022**	*164,948*
Cost of defined contribution scheme	**28,016**	*35,202*
	2,038,045	*2,657,120*

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

	1 January 2022	*2 January 2021*
	No.	*No.*
Directors	**3**	*3*
Head office	**49**	*47*
Warehouse, stores, concessions and other	**60**	*135*
	112	*185*

7. Directors' remuneration

	1 January 2022	*2 January 2021*
	£	*£*
Directors' emoluments	**308,000**	*66,169*
	308,000	*66,169*

8. Interest payable and similar expenses

	1 January 2022	*2 January 2021*
	£	*£*
Bank interest payable	**11,396**	*88,261*
	11,396	*88,261*

9. Taxation

	1 January 2022	*2 January 2021*
	£	*£*
Corporation tax		
Current tax on profits for the year	**-**	*861,382*
	-	*861,382*
Total current tax	**-**	*861,382*
Deferred tax		
Origination and reversal of timing differences	**16,385**	*(59,015)*
Total deferred tax	**16,385**	*(59,015)*
Taxation on profit on ordinary activities	**16,385**	*802,367*

9. Taxation (continued)

Factors affecting tax charge for the period/year

The tax assessed for the period/year is the same as *(2021 - the same as)* the standard rate of corporation tax in the UK of 19 % *(2021 - 19%)* as set out below:

	1 January 2022 £	*2 January 2021 £*
Profit on ordinary activities before tax	**101,261**	*4,908,102*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	**16,544**	*932,539*
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**(16,544)**	*511*
Capital allowances for period/year in excess of depreciation	**16,385**	*79,336*
Utilisation of tax losses	**-**	*(151,020)*
Short-term timing difference leading to an increase (decrease) in taxation	**-**	*(59,015)*
Other differences leading to an increase (decrease) in the tax charge	**-**	*16*
Total tax charge for the period/year	**16,385**	*802,367*

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

10. Dividends

	2022 £	*2021 £*
Interim paid	**-**	*150,000*
	-	*150,000*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 1 JANUARY 2022

11. Tangible fixed assets

	Motor vehicles	Fixtures and fittings	Computer equipment	Total
	£	£	£	£
Cost or valuation				
At 2 January 2021	**13,194**	**111,885**	**153,585**	**278,664**
Additions	**-**	**109,016**	**15,363**	**124,379**
At 1 January 2022	**13,194**	**220,901**	**168,948**	**403,043**
Depreciation				
At 2 January 2021	**5,695**	**80,842**	**65,745**	**152,282**
Charge for the period on owned assets	**1,500**	**9,815**	**18,782**	**30,097**
At 1 January 2022	**7,195**	**90,657**	**84,527**	**182,379**
Net book value				
At 1 January 2022	**5,999**	**130,244**	**84,421**	**220,664**
At 1 January 2020	*7,499*	*31,043*	*87,840*	*126,382*

12. Stocks

	2022	*2021*
	£	*£*
Finished goods and goods for resale	**976,996**	*860,975*
	976,996	*860,975*

13. Debtors

	2022 £	2021 £
Trade debtors	**2,025,440**	*3,205,532*
Amounts owed by group undertakings	**2,828,095**	*5,980,701*
Other debtors	**1,024,435**	*397,013*
Prepayments and accrued income	**63,094**	*38,409*
	5,941,064	*9,621,655*

14. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	**1,079,030**	*1,081,959*
Less: bank overdrafts	**(1,018,343)**	*(724,050)*
	60,687	*357,909*

15. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank overdrafts	**1,018,343**	*724,050*
Trade creditors	**1,433,405**	*1,577,331*
Corporation tax	**-**	*867,892*
Other taxation and social security	**167,195**	*274,010*
Other creditors	**77,002**	*51,089*
Accruals and deferred income	**657,381**	*3,433,433*
	3,353,326	*6,927,805*

16. Financial instruments

	2022 £	2021 £
Financial assets		
Financial assets measured at fair value through profit or loss	**1,079,030**	*1,081,959*

17. Deferred taxation

	1 January 2022	*2 January 2021*
	£	*£*
At beginning of year	**(25,541)**	*(84,556)*
Charged to the profit or loss	**(16,385)**	*59,015*
At end of year	**(41,926)**	*(25,541)*

The provision for deferred taxation is made up as follows:

	2022	*2021*
	£	*£*
Accelerated capital allowances	**(41,926)**	*(25,541)*
	(41,926)	*(25,541)*

18. Share capital

	2022	*2021*
	£	*£*
Allotted, called up and fully paid		
99 *(2021 - 99)* Ordinary Share Capital shares of £1.00 each	**99**	*99*

19. Reserves

Profit and loss account

Retained earnings represents accumulated comprehensive income for the year and prior periods less dividends paid.

20. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £28,016 (2020 - £35,202).

21. Related party transactions

During the period the company entered into transactions with related parties totalling £Nil (2020 - £2,724,000).

As at the balance sheet date, amounts owed from related parties totalled £3,003,635 (2020 - £6,086,895).

As at the balance sheet date, amounts due to related parties totalled £Nil (2020 - £2,361,024).

22. Ultimate controlling party

The ultimate parent company is Skinnydip Group Limited, a company incorporated in England and Wales, by virtue of its 100% shareholding.

The smallest and largest group for which consolidated financial statements are prepared is Skinnydip Group Limited. Copies of these group financial statements are available from Companies House, Crown Way, Cardiff, CF14 3UZ.