
SKINNYDIP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2022

SKINNYDIP LIMITED

COMPANY INFORMATION

Directors	R Gold J Gold L Blitz
Company secretary	N Blitz
Registered number	07499836
Registered office	101 New Cavendish Street 1st Floor South London W1W 6XH
Independent auditors	Harris & Trotter LLP Chartered Accountants and Statutory Auditors 101 New Cavendish Street 1st Floor South London W1W 6XH

SKINNYDIP LIMITED

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SKINNYDIP LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022

Introduction

The directors present the strategic report for the period ended 31 December 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

Satisfactory progress was made in the year ended 31st December 2022, with Turnover £2.1m higher than prior year. Despite Gross Profit impacted by the weakness of sterling, cost savings in Administrative expenses resulted in an increase on Profit before tax compared to 2021, to £277,547.

Principal risks and uncertainties

Risk	Impact	Mitigation
Strategic Risks		
Failure to adapt to changing market conditions and technological change	Reduced turnover and reduced sales making losses	Focus on innovation and new product development and diversification
Operational Risks		
Manufacturing and supply chain issues and delivery delays	Increased costs and reduced sales making losses	Review supply chain and diversify suppliers and manufacturing
Competition and inferior product	Lower sales and stock overhang	Review competition and enhance product. Design new and enhance product
Fraud	Reduced profits and stock damage	Enhance monitoring and security of product, manage controls
Financial Risks		
Management and financial control	Reduced profits	Enhance internal controls and management systems. Tender for services and suppliers. Monitor and control costs. Review management of stock management
Financing and cash resources	Reduced sales and losses	Enhance cash management and financing
Market, Reputation and Trade Disputes	Reduced profits	Develop and manage brand and reputation. Handle disputes
Over-indebtedness	Reduced sales and losses	Review debt structure and manage cash flow and liquidity
Intellectual property and legal disputes	Reduced profits	Tender for legal services and manage legal costs. Enhance legal and compliance and control systems and staff efficiency

SKINNYDIP LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2022**

Future Developments

Despite the inflationary and recessionary headwinds being felt in 2023 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 and expect another year of improved performance.

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

J Gold
Director
Date: 15 September 2023

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2022**

The directors present their report and the financial statements for the period ended 31 December 2022.

Directors

The directors who served during the period were:

R Gold
J Gold
L Blitz

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 £216,509 (2021 - £84,878).

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.

SKINNYDIP LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 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: 15 September 2023

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 31 December 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 31 December 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 3, 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.

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

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

101 New Cavendish Street

1st Floor South

London

W1W 6XH

15 September 2023

SKINNYDIP LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2022

	Note	31 December 2022 £	1 January 2022 £
Turnover	3	16,767,531	14,646,446
Cost of sales		(11,816,496)	(9,639,619)
Gross profit		4,951,035	5,006,827
Administrative expenses		(4,840,077)	(5,256,091)
Other operating income	4	173,544	361,923
Operating profit	5	284,502	112,659
Interest payable and similar expenses	8	(6,956)	(11,396)
Profit before tax		277,546	101,263
Tax on profit	9	(61,037)	(16,385)
Profit for the financial period		216,509	84,878
Other comprehensive income for the period			
Total comprehensive income for the period		216,509	84,878

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

SKINNYDIP LIMITED
REGISTERED NUMBER: 07499836

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2022 £
Fixed assets			
Tangible assets	11	279,682	220,666
		<u>279,682</u>	<u>220,666</u>
Current assets			
Stocks	12	1,421,819	976,996
Debtors: amounts falling due within one year	13	6,518,933	5,941,063
Cash at bank and in hand	14	849,657	1,079,030
		<u>8,790,409</u>	<u>7,997,089</u>
Creditors: amounts falling due within one year	15	(4,393,752)	(3,353,326)
Net current assets		<u>4,396,657</u>	<u>4,643,763</u>
Total assets less current liabilities		<u>4,676,339</u>	<u>4,864,429</u>
Creditors: amounts falling due after more than one year	16	(1,150,000)	-
Provisions for liabilities			
Deferred tax	19	(69,920)	(41,926)
		<u>(69,920)</u>	<u>(41,926)</u>
Net assets		<u><u>3,456,419</u></u>	<u><u>4,822,503</u></u>
Capital and reserves			
Called up share capital	20	99	99
Profit and loss account	21	3,456,320	4,822,404
		<u><u>3,456,419</u></u>	<u><u>4,822,503</u></u>

SKINNYDIP LIMITED
REGISTERED NUMBER: 07499836

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

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

J Gold
Director

Date: 15 September 2023

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

SKINNYDIP LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2022

	Called up share capital £	Profit and loss account £	Total equity £
At 2 January 2021	99	4,737,526	4,737,625
Comprehensive income for the year			
Profit for the year	-	84,878	84,878
At 1 January 2022	99	4,822,404	4,822,503
Comprehensive income for the period			
Profit for the period	-	216,509	216,509
Contributions by and distributions to owners			
Dividends	-	(1,582,593)	(1,582,593)
At 31 December 2022	99	3,456,320	3,456,419

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

1. General information

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

The registered office is 101 New Cavendish Street, 1st Floor South, London, W1W 6XH. 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'.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

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	-	20%	on reducing balance method

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022

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.

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.

SKINNYDIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022

3. Turnover

Analysis of turnover by country of destination:

	31 December 2022 £	1 January 2022 £
United Kingdom	10,045,254	10,849,691
Rest of Europe	909,999	424,526
Rest of the world	5,812,278	3,372,229
	<u>16,767,531</u>	<u>14,646,446</u>

4. Other operating income

	31 December 2022 £	1 January 2022 £
Ground rent receivable	-	11,714
Royalty receivable	173,544	230,599
Government grants receivable	-	119,610
	<u>173,544</u>	<u>361,923</u>

5. Operating profit

The operating profit is stated after charging:

	31 December 2022 £	1 January 2022 £
Exchange differences	(98,219)	57,888
Auditors remuneration	28,000	27,500
Depreciation of owned tangible fixed assets	<u>54,279</u>	<u>30,097</u>

SKINNYDIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022

6. Employees

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

	31 December 2022 £	1 January 2022 £
Wages and salaries	1,986,249	1,782,751
Social security costs	209,020	174,022
Cost of defined contribution scheme	33,837	28,016
	<u>2,229,106</u>	<u>1,984,789</u>

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

	31 December 2022 No.	1 January 2022 No.
Directors	3	3
Head office	54	49
	<u>57</u>	<u>52</u>

7. Directors' remuneration

	31 December 2022 £	1 January 2022 £
Directors' emoluments	323,670	308,000
	<u>323,670</u>	<u>308,000</u>

The highest paid director received remuneration of £123,670 (2021 - £103,667).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £807 (2021 - £1,179).

SKINNYDIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022

8. Interest payable and similar expenses

	31 december 2022 £	1 January 2022 £
Bank interest payable	6,956	11,396
	<u>6,956</u>	<u>11,396</u>

9. Taxation

	31 December 2022 £	1 January 2022 £
Corporation tax		
Current tax on profits for the year	33,043	-
	<u>33,043</u>	<u>-</u>
Total current tax	<u>33,043</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	27,994	16,385
	<u>27,994</u>	<u>16,385</u>
Total deferred tax		
	<u>61,037</u>	<u>16,385</u>
Taxation on profit on ordinary activities		

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

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:

	31 December 2022 £	1 January 2022 £
Profit on ordinary activities before tax	<u>277,547</u>	<u>101,263</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	52,734	16,544
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	509	(16,544)
Capital allowances for period/year in excess of depreciation	(20,200)	16,385
Deferred tax	27,994	-
Total tax charge for the period/year	<u>61,037</u>	<u>16,385</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

10. Dividends

	2022 £	2022 £
Dividend paid to parent entity	1,582,593	-
	<u>1,582,593</u>	<u>-</u>

SKINNYDIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022

11. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 January 2022	-	13,194	220,901	168,948	403,043
Additions	33,869	-	70,403	20,065	124,337
Disposals	-	-	-	(18,402)	(18,402)
At 31 December 2022	33,869	13,194	291,304	170,611	508,978
Depreciation					
At 1 January 2022	-	7,194	90,657	84,527	182,378
Charge for the period on owned assets	4,516	1,200	30,851	17,712	54,279
Disposals	-	-	-	(7,361)	(7,361)
At 31 December 2022	4,516	8,394	121,508	94,878	229,296
Net book value					
At 31 December 2022	29,353	4,800	169,796	75,733	279,682
At 1 January 2022	-	6,000	130,244	84,422	220,666

12. Stocks

	2022 £	2022 £
Finished goods and goods for resale	1,421,819	976,996
	<u>1,421,819</u>	<u>976,996</u>

SKINNYDIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022

13. Debtors

	2022 £	2022 £
Trade debtors	3,174,423	2,025,440
Amounts owed by group undertakings	2,441,017	2,828,095
Other debtors	777,177	1,024,434
Prepayments and accrued income	126,316	63,094
	<u>6,518,933</u>	<u>5,941,063</u>

14. Cash and cash equivalents

	2022 £	2022 £
Cash at bank and in hand	849,657	1,079,030
Less: bank overdrafts	(1,944,364)	(1,018,343)
	<u>(1,094,707)</u>	<u>60,687</u>

15. Creditors: Amounts falling due within one year

	2022 £	2022 £
Bank overdrafts	1,944,364	1,018,343
Bank loans	200,000	-
Trade creditors	1,184,944	1,433,405
Corporation tax	33,047	-
Other taxation and social security	354,139	167,195
Other creditors	166,958	77,002
Accruals and deferred income	510,300	657,381
	<u>4,393,752</u>	<u>3,353,326</u>

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

	2022 £	2022 £
Bank loans	1,150,000	-
	<u>1,150,000</u>	<u>-</u>

SKINNYDIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022

17. Loans

Analysis of the maturity of loans is given below:

	2022 £	2022 £
Amounts falling due within one year		
Bank loans	200,000	-
	<u>200,000</u>	<u>-</u>
Amounts falling due after more than 5 years		
Bank loans	1,150,000	-
	<u>1,150,000</u>	<u>-</u>
	<u>1,350,000</u>	<u>-</u>

18. Financial instruments

	2022 £	2022 £
Financial assets		
Financial assets measured at fair value through profit or loss	<u>849,657</u>	<u>1,079,030</u>

SKINNYDIP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

19. Deferred taxation

	31 December	
	2022	<i>2 January 2022</i>
	£	£
At beginning of year	(41,926)	<i>(25,541)</i>
Charged to the profit or loss	(27,994)	<i>(16,385)</i>
	<hr/>	<hr/>
At end of year	<u>(69,920)</u>	<i><u>(41,926)</u></i>

The provision for deferred taxation is made up as follows:

	2022	2022
	£	£
Accelerated capital allowances	(69,920)	<i>(41,926)</i>
	<hr/>	<hr/>
	<u>(69,920)</u>	<i><u>(41,926)</u></i>

SKINNYDIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022

20. Share capital

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

21. Reserves

Profit and loss account

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

22. 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 £33,837 (2021 - £28,016).

23. Related party transactions

The company has taken advantage of the exemption in FRS 102 Section 33.1A to not disclose transactions within wholly owned group entities.

During the period the company entered into transactions with related parties totalling £Nil (2021 - £Nil).

As at the balance sheet date, amounts owed from related parties totalled £272,616 (2021 - £175,540).

24. 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.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.