Company No. 141015

C. & J. Clark International Limited

Annual Report and Financial Statements
For the 48-week period ended 31 December 2022

C. & J. Clark International Limited

Contents

C. & J. Clark International Limited

Company Information

Directors	Paul Wakefield Jonathan Ram
Company number	141015
Independent Auditors	PricewaterhouseCoopers LLP One Chamberlain Square Birmingham B3 3AX
Registered office	40 High Street Street Somerset BA16 0EQ

Introduction

The principal activities of the Company during the period were shoe retailing and wholesaling.

The Company is a wholly owned subsidiary of C. & J. Clark (Holdings) Limited which is itself a subsidiary of C&J Clark (No 1) Limited.

The year end of C. & J. Clark International Limited has changed to 31 December 2022, to align with the ultimate parent company, Viva Goods Company Limited (previously known as Viva China Holdings Limited). This has resulted in a shorter reporting period for this financial period of 48 weeks. The period to 31 December 2022 constitutes a 48-week period from 30 January 2022 to 31 December 2022, and referred to in headings as 31 December 2022. The prior year is a 52-week period from 31 January 2021 to 29 January 2022 and is referred to in headings as 29 January 2022.

Throughout this report "Group" is to be taken as meaning C&J Clark (No 1) Limited and all its subsidiary entities. The Company does not prepare consolidated financial statements.

Business review

The key financial and other performance indicators during the period were as follows:

	31 December 2022	29 January 2022	Change
	£'m	£'m	%
Turnover	**502.8**	511.9	-2%
Operating profit	**37.1**	24.2	53%
Profit after tax	**22.6**	31.5	-28%
Equity shareholders' funds	**103.6**	111.0	-7%

The impacts of the Covid-19 pandemic have largely lifted, and there is now greater freedom of movement and fewer lockdowns across most regions. However, the surge in post pandemic demand could not be met due to global supply chain issues in the first half of 2022, which resulted in late delivery of product, intermittent quality issues and reduced availability of stock. Reduced stock availability led to lower levels of conversion in store and online. For the 48 weeks to 31 December 2022 turnover decreased to £502.8m, compared to £511.9m for the previous 52-week period.

In the year ended 29 January 2022 stores in the UK and Republic of Ireland were closed for trading until 12 April 2021. Ongoing supply chain issues reduced the amount of Spring Summer stock that was available in store and online in the first half of 2022. As a result, conversion across direct-to consumer channels fell below plan but was offset by pricing initiatives which increased average selling prices (ASP). In the second half of 2022, direct-to-consumer trading softened from October as the UK cost of living crisis and high inflation resulted in more price sensitive consumer behaviour. In response, promotional activity, was increased to boost sales volumes. Despite the increase in promotional activity, in the second half of the period ended 31 December 2022 ASP and gross margin were both higher than those achieved in the year ended 29 January 2022.

In 2021 Clarks benefitted from one-off Government support, predominantly in the UK, in the form of furlough credits (£4.7m) and business rates grants (£7.0m). With stores open and these schemes no longer in place, overheads in these areas have increased year on year but in direct relation to post-pandemic trading, normalising through the period ended 31 December 2022.

The profit after tax for the period decreased to £22.6m compared to £31.5m in the prior period. The decrease in profit after tax has been driven by the factors highlighted above.

Equity shareholders' funds reduced by 7% to £103.6m because of the reduction in FRS102 pension scheme valuation offset with the after-tax profit noted above. No dividend was declared or paid during the period.

Principal risks and uncertainties
The global supply chain has been impacted by the pandemic in 2020-21 and the Ukraine war in 2022-23. The focus has been on immediate, high level, high impact risk assessment and mitigation.

The main currencies for the company are GBP, US Dollar, Euro, Chinese Yuan and Japanese Yen. The US Dollar is used as the primary currency for sourcing footwear from Asia. Contracts are placed through competitive tendering with relationship banks. Income and expenditure flows in the same currency are offset as far as possible through natural hedging, and the Group hedges the net exposure.

Section 172 statement
The Directors of the Company are mindful, when exercising their duties, of the directions from the Board of Directors of C&J Clark (No 1) Limited. This statement is therefore informed by and follows the section 172 statement made by C&J Clark (No 1) Limited which is the entity through which the Group is governed for and on behalf of its stakeholders. The Board of Directors of C&J Clark (No 1) Limited determine the strategic direction of the Group, of which the Company forms a material part and, likewise, seeks assurance from executive management as to how such strategy is being executed across the Group. It is within this framework that the Directors of the Company exercise their independent duties as statutory officers of the Company.

The directors of the Company consider that the following are key stakeholders:

Shareholders
The Company is 100% owned by C&J Clark (No 1) Limited, the parent company of the Clarks Group. C&J Clark (No 1) Limited is owned 51% by Viva Goods Company Limited (previously known as Viva China Holdings Limited) and 49% by C&J Clark Limited. The Board consists of representatives of both shareholders (together with two independent nominees), which ensures regular and direct dialogue with regards shareholder wishes and expectations. In this regard, see further the arrangements in place in terms of Group governance for other shareholder rights, in respect of company information and material decision making on pages 7 to 9.

Suppliers
The Board is mindful of its dependence upon good relationships with its supply chain network; relationships that have continued to be subject to global pressures, caused by the continuing impact of the global pandemic. It is recognised that it is of the utmost importance to maintain strong partnering relationships and so the Company is careful to maintain regular and constructive dialogue with all its suppliers. In this respect, the directors can confirm a successful response to key supplier cash-flow concerns through the introduction of a vendor financing facility, which the Group was able to organise following its successful re-financing in June 2022. This $45m facility has allowed participating suppliers to reduce payment terms which range between 90-120 days to an average in the region of 45 days being something more in line with market rates.

Employees
Employees are critical to ongoing business interests. It is a stakeholder group that has faced changing ways of working in a post Covid-19 world. The Board has undertaken throughout the period to remain alive to the changing employment landscape and continues to accommodate as best it can the new reality of a requirement for more flexible working patterns. In this regard, the Board will continue to actively engage with its workforce as business requirements evolve.

Following the transformation and restructuring of the business that took place in 2021 and 2022, the Board has ensured a year of focus on attracting and retaining talent, with employees being actively involved in a comprehensive business planning and strategy exercise. This strategy work will require application by the executive team to create a compelling employee experience, that will provide the Company's employees with an environment in which they can individually learn and grow, provide an attractive reward and recognition proposition, and all within a culture built upon diversity and inclusion. As to the reward proposition, the Board has overseen and approved the introduction of a new companywide incentive plan and a long-term incentive plan for senior executives; both of which are based upon the financial objectives and performance of the business, with the aim of securing the dedication and commitment of employees towards the Company's strategic goals. The Company has also relaunched its Learning and Development Platform and created opportunities for employees to learn, grow and develop new competencies that align with the overall strategy. An early component of this included materials and training sessions in respect of the importance of Diversity, Equity and Inclusion, which will help the Company make progress with its stated aim of existing and operating within a truly diverse and inclusive environment. The Company, in pursuit of a "people first" culture, undertakes regular employee communications with the aim of engaging people with the business and its senior leadership. Employees are continually encouraged to take an active part in such communication events, such as 'town halls', and are given opportunity to provide leaders with their feedback, opinion and ideas.

Customers

The product, marketing and distribution strategy is centred around its customers. Building brand value and loyalty with customers is essential to maintain long-term sustainability. Customer sentiment can be observed in the Group's underlying sales figures and regular updates on product feedback and trading performance. This feedback and the interests of customers are then considered in key business decisions, including product improvements, the monitoring of supplier quality and safety standards, optimising freight and logistics to ensure efficient order and delivery is adhered to, as well as new marketing initiatives.

With the interests of customers in mind, the Group's senior leadership team review proposals in respect of new store openings, capital expenditure on stores and the e-commerce platform, as well as wholesale and franchise opportunities with new partners.

Pension Trustees

The trustees of the C&J Clark Pension Fund are important stakeholders being a principal Creditor of the company in terms of funding obligations owed to the scheme. The Board enjoys a regular and constructive engagement with the trustees, as it continues to explore ways of reducing the current fund deficit.

Providers of debt capital

Continued access to debt capital remains of vital importance to the long-term sustainability of the Group. The Board is pleased to be able to report that in June of 2022, the Group was able to refinance its existing facilities which were replaced with a less costly and more flexible asset finance facility, led by one of its existing banking partners, Bank of America. The Board is pleased to be able to report that relationships with its banking group are much improved and settled from those that prevailed during the pandemic, following a strong return to profit and cash generation during this and the previous financial period.

Approved by the Board of Directors and signed on behalf of the Board.

DocuSigned by:
Paul Wakefield
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Paul Wakefield
Director

29 June 2023

The directors present their report and the audited financial statements for the Company for the 48-week period ended 31 December 2022.

Results and dividends

The profit for the period, after taxation was £22.6m (29 Jan 2022: £31.5m). No dividends were declared or paid during the period ended 31 December 2022 (29 Jan 2022: nil).

Directors

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

Paul Wakefield
Joe Ulloa (resigned 28 February 2023)
Jonathan Ram (appointed 1 March 2023)
Olivier Motteau (appointed 1 March 2023 and resigned 29 March 2023)

Political donations

The Company made no political donations or incurred any political expenditure during the period.

Employees

The Board subscribes to the principle of fairness through equality of treatment and opportunity and believes it to be of fundamental importance. It is the long-held aim of the Company to provide just and fair treatment for all employees. In accordance with this policy, the only personal considerations in making decisions about employees are those which relate directly to actual or potential performance. Throughout the Company, procedures for consultation with, and the involvement of, employees are in operation, as appropriate to the circumstances of the individual businesses. Relevant communications to employees are given through a variety of presentations, briefings, bulletins and reports.

Disabled persons

The Company considers applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion. Where existing employees become disabled, it is the Company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

The environment

The Company recognises that care and concern for the environment and the community is a fundamental part of the Company's strategy. It is the Company's intention to strive continuously to minimise any adverse environmental impact of business activities, to comply with all relevant environmental legislation and to promote a caring attitude to the environment amongst its employees.

Financial instruments

Financial instruments are used by the business to mitigate against currency and interest rate risks. The strategy for the use of these instruments is contained within the Treasury Policy which is approved by the Board of Directors of C&J Clark (No 1) Limited and reviewed on an annual basis.

Qualifying indemnity provisions

The directors of the Company each enjoy the benefit of a qualifying third-party indemnity against any liability incurred on account of serving as a director in respect of any legal proceedings brought against him or her in which judgement is given in his or her favour, or in which he or she is acquitted, or in connection with any application in which relief is given to him or her. Such qualifying indemnity is included in each directors' letter of appointment and is in place during the financial year and also at the date of approval of the financial statements.

The qualifying indemnity is supported and supplemented by directors' and officers' liability insurance which is in place for all directors in respect of their activities on behalf of the Company.

Branches outside the UK
The Company has branches in Ireland, Sweden, United Arab Emirates, Isle of Man, Jersey and the Netherlands.

Going concern
The Company made a profit of £22.6m for the 2022 financial year and had a net current liability position of £69.7m at 31 December 2022.

In determining whether the Company's financial statements can be prepared on a going concern basis, management's assessment is linked to the ability of the Group to continue as a going concern. The Directors of the Company have asked for and received a letter of support from the parent company, C&J Clark (No 1) Limited, which covers the going concern period of 12 months from the date of approval of these financial statements. The Directors have considered the ability of the parent company to stand behind that letter of support, to meet the Company's obligations as they fall due within the going concern period.

A Group going concern assessment has been performed, the Group Directors considered the Group's business activities and cash requirements together with factors likely to affect its performance and financial position, including the current economic climate and any ongoing impact of Covid-19. The period of management's assessment is to 31 December 2024 and the going concern basis is dependent on the Group maintaining adequate levels of resources to operate during the period.

In making this assessment, the Group Directors have considered the latest medium-term plan to the end of December 2024, including detailed trading and cash flow forecasts. As well as the base case scenario, reflecting the expected outcome, they also considered a downside scenario which represents a pessimistic but plausible result. Against this a reverse stress test was also performed, to understand the tolerance to maintain within our existing debt facilities before triggering a covenant test that we would fail.

At 31 December 2022, the Group had £87.1m in cash balances for consideration in the going concern evaluation. The Group has in place an Asset Based Loan facility for a period of 5 years expiring in June 2027. The available facility is dependent upon the value of our receivables and inventory but is capped at $250m. At 31 December 2022 the drawdown on this facility was $40m, so utilisation is still relatively low.

As part of the forecasting process, the Group has also modelled the cash position looking forward which shows adequate headroom against our debt facility, peaking at 46% utilisation in the base case and 70% in the downside scenario.

Based on the going concern assessment of the Group, the Group Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the 12 months from the date of approval of these financial statements. Therefore, the Directors of the Company are satisfied that these financial statements are prepared on a going concern basis.

Directors' responsibilities statement
The directors are responsible for preparing the Annual Report and 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 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).

Directors' responsibilities statement (continued)

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 company and of the profit or loss 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 company will continue in business.

The directors are responsible for safeguarding the assets of the 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 company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

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 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 company's auditors are aware of that information.

Governance

As a large privately held business in the UK, the Company is, in the preparation of this report, subject to the provisions of The Companies (Miscellaneous Reporting) Regulations 2018. Amongst other things, this legislation requires the Company either, to make a statement of its corporate governance arrangements in the Directors' Report detailing which corporate governance code the company applied during the reporting period, or, if no such code was applied, the reasons for that decision and an explanation of what corporate governance arrangements have been applied for the financial year.

The Company does not for itself follow a Code separate to that of C&J Clark (No 1) Limited. The Group is managed on a group basis with group decisions being taken by the Global Leadership Team which itself reports to and gives assurance to the main group Board of Directors.

The Group has in place arrangements to ensure that all key strategic and material matters to which the Company is party or concerned with are separately and independently considered by the directors of the Company. These are part of the group's governance arrangements which are in place to ensure decisions involving group subsidiaries are approved by the relevant subsidiary. These include things such as significant capital commitments, contracts above a certain value, material financial liabilities, decisions pertaining to substantial litigation. This process seeks to ensure the appropriate level of diligence has been performed in understanding the obligations, risks and terms of any initiatives to be undertaken. This contributes to protecting the integrity and long-term sustainability of all its business and to creating and preserving value for its stakeholders.

Set out below is an extract from the consolidated financial statements of C&J Clark (No 1) Limited which sets out its governance arrangements for this reporting period ending 31 December 2022. This provides the context for the Company's activities within the Group as set out above.

Governance (continued)

"As was explained in the report for the financial period ending 29 January 2022, C&J Clark (No 1) Limited was the recipient of a £100,000,000 investment from LionRock Capital Partners QiLe Limited ("Investco") on 19 February 2021. This investment was by way of a subscription by Investco for 100,000 cumulative redeemable non-participating class "A" preference shares of £1.00 each in the capital of C&J Clark (No 1) Limited. At the same time, pursuant to arrangements agreed in an Investment Agreement entered into on 16 October 2020 and made between LionRock Capital Partners QiLe, L.P. ("the LionRock LP"), C&J Clark Limited ("CJC") and C&J Clark (No 1) Limited, LionRock LP acquired 51% of the entire issued ordinary share capital of C&J Clark (No 1) Limited. The resulting change in control of the Clarks group of companies brought with it a change of governance arrangements; C&J Clark (No 1) Limited having previously chosen to apply the Wates Corporate Governance Principles for large Private Companies. In the negotiations leading up to completion of LionRock LP's investment, it was agreed between the continuing shareholders (LionRock LP and CJC) and C&J Clark (No 1) Limited how the group should be governed going forward. These arrangements are not by reference to any corporate governance code but are set out at length in a Shareholders Agreement ("the Agreement") entered into by them on completion of the share transactions described.

On 9 April 2021, the LionRock LP transferred its ownership of 51% of C&J Clark (No 1) Limited to Investco and, subsequently, on 2 July 2022, Viva Goods Company Limited (previously Viva China Holdings Limited) ("Viva") (through a wholly owned subsidiary entity) acquired 51% of Investco. Latterly, on 30 January 2023, Viva acquired the balance 49% of Investco from the LionRock LP, thereby becoming 51% owner of C&J Clark (No 1) Limited.

None of the above recited arrangements and change in the ultimate ownership of C&J Clark (No 1) Limited have affected the Agreement which continues to apply as between Investco, CJC and C&J Clark (No 1) Limited. C&J Clark (No 1) Limited's arrangements as to how the group shall be governed therefore remain unchanged from those reported in respect of the prior financial period.

Board

Investco has the right to appoint and maintain in office up to five persons as directors of C&J Clark (No 1) Limited to constitute a majority of the Board. The Street Trustee Family Company Limited ("the STFC") has the right to appoint and maintain in office two directors of C&J Clark (No 1) Limited. In addition to these seven nominees, Investco has the right to appoint a further two persons (not being employees, partners, directors, or officers of LionRock LP) to serve as independent directors.

The Chairperson of the Board is appointed by Investco and shall be one of its five nominee directors. This is currently Qilin Li.

Investco may also appoint up to four representatives to attend as observers at each meeting of the Board.

Board meetings are scheduled at regular intervals, it being agreed there shall be at least four meetings a year. The Board met on five occasions during 2022.

The Board has two committees which have their separate responsibilities. The first is an Audit Committee which is tasked with reviewing the Group's annual financial statements before submission to the Board for approval, as well as receiving reports from senior management and the external auditors on accounting and internal control matters.

The second Committee is the Remuneration, Governance and Nominations Committee which has responsibility for reviewing the remuneration of the senior management team; for overseeing all compliance related matters including environmental and sustainability issues and, for considering both senior executive appointments and non-executive appointments to the Board.

Each Committee has one director nominated by the STFC as a member. Resolutions of the Committees require at least one director nominated by Investco to be in favour.

Provision of information

The shareholders have agreed between themselves that C&J Clark (No 1) Limited should keep Investco and the STFC informed of the progress of the group's business and affairs and, that C&J Clark (No 1) Limited should give them such information and access to the officers, employees and premises of the group as they might reasonably request for the purposes of enabling them to monitor their investment in the group.

In the ordinary course of business, the information shared with the shareholders and the STFC comprises:

- Audited consolidated financial statements;
- Draft annual budget of the group;
- Any Business Plan from time to time adopted by the group;
- Monthly and management accounts of the group;
- Any other documents made available to the group's finance partners; and
- Details of any circumstances likely to give rise to a material adverse effect on the group or reputational damage to the group or any shareholder.

Consent and consultation matters

The Agreement sets out clearly all matters that require the consent of the LionRock LP and, separately, details of matters that require the consent of the STFC. In addition, certain identified matters require that the STFC is consulted ahead of being implemented. Also, the Agreement clearly identifies all matters which require the consent of the Board. Taken together, these provisions provide the framework within which material and/or strategic decisions affecting the group are taken."

On behalf of the Board,

DocuSigned by:
Paul Wakefield
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Paul Wakefield
Director
29 June 2023

Report on the audit of the financial statements

Opinion

In our opinion, C. & J. Clark International Limited's 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 from 30 January 2022 to 31 December 2022;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including 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: Statement of Financial Position as at 31 December 2022; Income Statement, Statement of Comprehensive Income, and Statement of Changes in Equity 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 company 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 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 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.

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 31 December 2022 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 company and its 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 Directors' responsibilities statement, 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 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 C. & J. Clark International 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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to employment legislation and health and safety 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 tax legislation, pensions regulation, and 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 posting of journal entries with unexpected account combinations and management bias in significant accounting estimates and/or judgements. Audit procedures performed by the engagement team included:

- Discussions with management and those charged with governance, over consideration of known or suspected instances of non-compliance with laws, regulations and fraud;
- Challenging assumptions and judgements made by management in their significant accounting estimates and judgements, in particular in relation to inventory provisioning;
- Identifying and testing higher risk journal entries, such as any journal entries posted with unexpected account combinations and in particular unexpected or unusual entries to revenue. Testing was also performed to validate the completeness of the data on which our risk-based procedures were performed;
- Reviewing the financial statements for adequate and appropriate disclosures; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

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.

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 financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Sarah Phillips

Sarah Phillips (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
29 June 2023

C. & J. Clark International Limited

Income Statement

	Note	48 weeks ended 31 December 2022 £'m	52 weeks ended 29 January 2022 Restated* £'m
Turnover	2	**502.8**	511.9
Cost of sales		**(274.7)**	(285.6)
Gross profit		**228.1**	226.3
Selling and distribution expenses		**(164.0)**	(161.7)
Administrative expenses		**(61.2)**	(74.7)
Other operating income		**34.2**	34.3
Operating profit	3	**37.1**	24.2
Interest receivable and similar income	4	**3.5**	0.6
Interest payable and similar expenses	4	**(10.7)**	(12.1)
Profit before taxation		**29.9**	12.7
Tax on profit	5	**(7.3)**	18.8
Profit after tax for the financial period		**22.6**	31.5

The turnover and operating result of the Company derive wholly from continuing activities.

The accounting policies and notes on pages 19 to 44 form part of the financial statements

* Prior period restatement - in preparing these financial statements the classification of our operating expenses has been reviewed and realigned, between 'Selling and distribution expenses' and 'Administrative expenses'. To correctly reflect these costs in the comparative 52 weeks to 29 January 2022, Selling and distribution expenses have been restated from £140.3m to £161.7m, and Administrative expenses have been restated from £96.1m to £74.7m. £9.4m is due to a change in presentation accounting policy to align with the presentation accounting policy of ultimate parent company Viva Goods Company Limited. The updated presentation accounting policy includes all marketing costs within 'Selling and distribution expenses' whereas in prior years they had been included in 'Administration expenses'. £12.3m is due to some store administration expenses being incorrectly classified as 'Administrative expenses'. This error has been corrected in the current period and costs for all stores are classified as 'Selling and distribution expenses', as these costs relate directly to the selling function. There has been no impact to operating profit, total equity or net assets.

C. & J. Clark International Limited

Statement of Comprehensive Income

	Note	48 weeks ended 31 December 2022	52 weeks ended 29 January 2022
		£'m	£'m
Profit for the period		**22.6**	31.5
Other comprehensive (expense)/income			
Actuarial (loss)/gain on pension schemes	19	**(43.3)**	77.2
Deferred tax on actuarial gain/(loss) on pension schemes		**10.8**	(20.9)
Effective portion of changes in fair value of cash flow hedges		**3.4**	11.5
Deferred tax on fair value of cash flow hedges		**(0.9)**	(2.2)
Other comprehensive (expense)/income for the period		**(30.0)**	65.6
Total comprehensive (expense)/income for the period		**(7.4)**	97.1

The accounting policies and notes on pages 19 to 44 form part of the financial statements.

C. & J. Clark International Limited

Statement of Financial Position **Company number 141015**

	Note	As at 31 December 2022 £'m	As at 29 January 2022 £'m
Fixed assets			
Intangible fixed assets	6	28.6	25.8
Tangible fixed assets	7	47.5	49.4
Investments	8	20.5	20.5
Pension asset	19	87.0	120.8
Financial derivatives		0.3	0.4
		183.9	216.9
Current assets			
Inventories	10	185.0	136.6
Debtors	11	141.0	105.1
Cash at bank and in hand		39.9	70.2
Total current assets		365.9	311.9
Creditors: amounts falling due within one year	12	(430.6)	(402.4)
Provisions for liabilities	14	(5.0)	(2.9)
Net current liabilities		(69.7)	(93.4)
Total assets less current liabilities		114.2	123.5
Creditors: amounts falling due after more than one year	13	(1.2)	-
Provisions for liabilities	14	(5.9)	(5.4)
Deferred tax liability	15	(3.5)	(7.1)
Net assets		103.6	111.0
Capital and reserves			
Called up share capital	16	18.0	18.0
Revaluation reserve	17	0.6	0.6
Cash flow hedge reserve	17	4.0	1.5
Profit and loss account		81.0	90.9
Total Shareholders' funds		103.6	111.0

The accounting policies and notes on pages 19 to 44 form part of the financial statements

The financial statements on pages 15 to 44 were approved for issue by the Board of Directors on 29 June 2023 and were signed on its behalf.

DocuSigned by:
Paul Wakefield
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Paul Wakefield
Director

C. & J. Clark International Limited

Statement of Changes in Equity for the 52 weeks ended 29 January 2022

	Called up Share Capital £'m	Revaluation Reserve £'m	Cash Flow Hedge Reserve £'m	Profit and Loss Account £'m	Total Shareholders' funds £'m
Balance at 31 January 2021	**18.0**	**0.6**	**(7.8)**	**3.1**	**13.9**
Comprehensive income for the period					
Profit for the period	-	-	-	31.5	31.5
Other comprehensive income	-	-	9.3	56.3	65.6
Total comprehensive income for the period	-	-	9.3	87.8	97.1
Balance at 29 January 2022	**18.0**	**0.6**	**1.5**	**90.9**	**111.0**

Statement of Changes in Equity for the 48 weeks ended 31 December 2022

	Called up Share Capital £'m	Revaluation Reserve £'m	Cash Flow Hedge Reserve £'m	Profit and Loss Account £'m	Total Shareholders' funds £'m
Balance at 30 January 2022	**18.0**	**0.6**	**1.5**	**90.9**	**111.0**
Comprehensive expense for the period					
Profit for the period	-	-	-	22.6	22.6
Other comprehensive income/(expense)	-	-	2.5	(32.5)	(30.0)
Total comprehensive income/(expense) for the period	-	-	2.5	(9.9)	(7.4)
Balance at 31 December 2022	**18.0**	**0.6**	**4.0**	**81.0**	**103.6**

The accounting policies and notes on pages 19 to 44 form part of the financial statements.

1. a. Accounting policies

Statement of compliance

C. & J. Clark International Limited (the "Company") is a private company limited by shares and incorporated and domiciled in England, United Kingdom. The registered office is 40 High Street, Street, Somerset, BA16 0EQ.

The principal activities of the Company during the period were shoe retailing and wholesaling.

The financial statements are prepared on the historical cost convention as modified to include the revaluation to fair value of certain financial instruments, in accordance with the Companies Act 2006 and Financial Reporting Standard 102 (FRS 102) applicable in the UK and Republic of Ireland.

Basis of presentation

All amounts in the financial statements are in Pounds Sterling (£) being the Company's functional currency and rounded to the nearest £'m.

The Company is included in the consolidated financial statements of C&J Clark (No 1) Limited. The consolidated financial statements of C&J Clark (No 1) Limited are prepared in accordance with UK Generally Accepted Accounting Practice including FRS102. In these financial statements, the Company is considered to be a qualifying entity and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash flow statement and related notes.
- Key management personnel compensation.
- Preparing consolidated financial statements.
- Related party transactions.
- Share based payments.
- Streamlined energy and carbon reporting.

The accounting policies have been applied consistently, other than where new policies have been adopted.

Basis for preparation of financial statements on a going concern basis

The Company made a profit of £22.6m for the 2022 financial year and had a net current liability position of £69.7m at 31 December 2022.

In determining whether the Company's financial statements can be prepared on a going concern basis, management's assessment is linked to the ability of the Group to continue as a going concern. The Directors of the Company have asked for and received a letter of support from the parent company, C&J Clark (No 1) Limited, which covers the going concern period of 12 months from the date of approval of these financial statements. The Directors have considered the ability of the parent company to stand behind that letter of support, to meet the Company's obligations as they fall due within the going concern period.

A Group going concern assessment has been performed, the Group Directors considered the Group's business activities and cash requirements together with factors likely to affect its performance and financial position, including the current economic climate and any ongoing impact of Covid-19. The period of management's assessment is to 31 December 2024 and the going concern basis is dependent on the Group maintaining adequate levels of resources to operate during the period.

In making this assessment, the Group Directors have considered the latest medium-term plan to the end of December 2024, including detailed trading and cash flow forecasts. As well as the base case scenario, reflecting the expected outcome, they also considered a downside scenario which represents a pessimistic but plausible result. Against this a reverse stress test was also performed, to understand the tolerance to maintain within our existing debt facilities before triggering a covenant test that we would fail.

1. a. Accounting policies (continued)

Basis for preparation of financial statements on a going concern basis (continued)
At 31 December 2022, the Group had £87.1m in cash balances for consideration in the going concern evaluation. The Group has in place an Asset Based Loan facility for a period of 5 years expiring in June 2027. The available facility is dependent upon the value of our receivables and inventory but is capped at $250m. At 31 December 2022 the drawdown on this facility was $40m, so utilisation is still relatively low.

As part of the forecasting process, the Group has also modelled the cash position looking forward which shows adequate headroom against our debt facility, peaking at 46% utilisation in the base case and 70% in the downside scenario.

Based on the going concern assessment of the Group, the Group Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the 12 months from the date of approval of these financial statements. Therefore, the Directors of the Company are satisfied that these financial statements are prepared on a going concern basis.

Revenue
The Company's revenue relates to the supply of products direct to consumer within stores, online or through third party sales concessions, and to wholesale customers. It also includes royalties from franchisees.

Revenue is recognised when the significant risks and rewards of ownership of products sold have transferred to the third party, generally in exchange for consideration in stores or based on despatch from a warehouse or specific customer delivery terms for digital and wholesale sales.

Digital sales are recognised upon collection by the end customer if delivered to store. If dispatched from a warehouse and delivered directly to a customer digital sales are recognised at the delivery date, the delivery date is an approximation based on average transit times from the warehouse to the delivery address.

Consignment sales revenue is recognised when the product is sold to the end consumer.

Inventory is sold at cost to franchisees. Royalty revenue on franchisee sales is recognised when the sale is made to the end customer.

The following general measurement principles apply:

- Sales are recorded net of (i.e. reduced by) returns and returns provisions.
- Sales are net of (i.e. reduced by) unconditional discounts.
- Sales exclude VAT and other sales-related taxes.

Other income
Income received as rental income is accounted for on a straight-line basis net of the cost associated with the head lease rental payments made by the Company (if any) and included within administrative costs unless material.

Profit/(loss) on the sale of property is recognised on completion. Income from sales of property, plant and equipment is shown net of the residual asset value and included within administration costs.

Income from insurance recoveries is recognised once receipt of monies is virtually certain. Insurance receipts are accounted for as a net position against the costs the insurance recovery relates to, unless the insurance recoveries are received in a future period, in which case the income will be disclosed separately.

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

1. a. Accounting policies (continued)

Joint ventures
The Company has ventures over which it has joint control under a contractual arrangement, and which qualify as a joint venture under FRS 102 (Section 15). Investments in joint ventures are accounted for at cost less impairment.

Employee benefits
The Company accounts for pensions under FRS 102 (section 28).

Defined contribution plans and other long-term employee benefits
A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the Income Statement in the periods during which services are rendered by employees.

Defined benefit plans
A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted.

The Company determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability (asset) taking account of changes arising as a result of contributions and benefit payments.

The discount rate is the yield at the period-end date on AA credit rated bonds denominated in the currency of the Company and having maturity dates approximating to the terms of the Company obligations. A valuation is performed by a qualified actuary using the projected unit credit method. The Company recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined benefit liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in the Income Statement in the period in which it occurs.

Re-measurement of the net defined benefit liability/asset is recognised in Other Comprehensive Income (OCI). The cost of the defined benefit plan is borne by the Company. The Company is responsible for determining the contributions to be paid.

Taxation
The tax on profit or loss for the period comprises current and deferred tax. Tax is recognised in the Income Statement except to the extent that it relates to items recognised directly in equity or Other Comprehensive Income (OCI), in which case the tax impact of those items is also recognised directly in equity or OCI.

The current tax payable or receivable is based on the taxable profit or loss for the period. Taxable profit or loss may differ from reported profit or loss because of items that are not taxable or due to timing differences. The Company's current tax assets and liabilities are calculated using tax rates that have been enacted by the reporting date. Current tax may also include adjustments to tax payable for previous reporting periods.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

1. a. Accounting policies (continued)

Taxation (continued)

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the period-end date. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Tangible assets

Tangible assets are stated at cost less accumulated depreciation and impairments. Such cost includes costs directly attributable to making the asset capable of operating as intended. The Company's policy is to write off the difference between the cost of each item of property, plant and equipment and its residual value over its estimated useful life on a straight-line basis. Assets under construction are not depreciated.

Reviews are made annually of the estimated remaining lives and residual values of individual productive assets, taking account of commercial and technological obsolescence as well as normal wear and tear. Under this policy it becomes impractical to average lives exactly. Within land and buildings, the total lives range from approximately 30-50 years for buildings, and land is not depreciated. Within plant and equipment, the total lives range from 15-20 years for plant, 3-15 years for shop-fits and office-fits and 3-7 years for computer hardware and other equipment.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, for example land is treated separately from buildings.

All items of property, plant and equipment are tested for impairment where there are indications that the carrying value may not be recoverable. Any impairment losses are recognised immediately in the Income Statement. An impairment loss recognised for all assets is reversed in a subsequent period if and only if the reasons for the impairment loss have ceased to apply.

Intangible assets

Software

Where software is not an integral part of a related item of computer hardware, the software is treated as an intangible asset. Capitalised software costs include external direct costs of goods and services, as well as internal payroll related costs for employees who are directly associated with the project.

Where software is received as a service, the cost is expensed to the income statement in the period that it occurs.

Capitalised software development costs are amortised on a straight-line basis over their expected useful lives, normally between 3 and 20 years. Computer software under development is held at cost less any recognised impairment loss. Any impairment in value is recognised within the Income Statement.

Trademarks

Acquired trademarks are initially recognised at cost and amortised on a straight-line basis over the expected useful life of 20 years.

Inventories

Inventories are valued on a weighted average cost basis and carried at the lower of cost or net realisable value. Cost includes the direct expenditure and other direct import costs incurred in bringing inventories to their present location and condition. Certain purchases of inventories may be subject to cash flow hedges for foreign exchange risk. The Company applies a basis adjustment for those purchases in a way that cost is initially established by reference to the hedged exchange rates and not the spot rate at the day of purchase.

1. a. Accounting policies (continued)

Borrowing costs
The Company has no borrowing cost with respect to the acquisition or construction of qualifying assets. Borrowing costs includes the transaction costs associated with the current borrowing facilities. These fees are amortised over the term of the facility and reported against long term loans. All other borrowing costs are recognised in the Income Statement as incurred.

Leases
Rentals payable under operating leases are recognised in the Income Statement on a straight-line basis over the lease term. The value of any lease incentive received upon taking up an operating lease (for example a rent free period or capital contribution) are released to the Income Statement over the lease term, except where the incentive was received before 31 January 2014, in which case, in line with the exemption contained in FRS 102 (section 35) for first time adopters of FRS 102, the incentive is taken to the break point of the lease.

Reduction in rentals payable under the terms of the CVA are recognised in the period the reduction relates to. Rentals were deferred following government guidance at the start of the first UK lockdown, which were subsequently compromised under the terms of the CVA, were recognised upon approval of the CVA.

Investments in subsidiaries
A subsidiary is an entity controlled directly or indirectly by C. & J. Clark International Limited. Control is regarded as the exposure or rights to the variable returns of the entity when combined with the power to affect those returns.

Investments in subsidiaries are held at historical cost less provisions for impairment.

Trade and other payables and receivables
Trade and other payables and receivables with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Income Statement in other operating expenses.

Financial instruments
The Company applies section 11 and 12 of FRS 102 in respect of recognition and measurement of financial instruments. The Company's financial instruments include interests in leases, trade and other receivables and trade and other payables.

The Company's other financial instruments comprise:
- cash and cash equivalents;
- bank and other borrowings, and
- derivatives.

Cash and cash equivalents
Cash and cash equivalents comprise cash in-hand, current balances with banks and similar institutions and highly liquid investments which are readily convertible into known amounts of cash and are held at amortised cost.

Bank and other borrowings
Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Derivatives
The Company uses forward foreign currency contracts to reduce exposure to foreign exchange rates. The Company also uses interest rate swaps to adjust interest rate exposures. In both cases where the derivatives used are not designated as hedges, they are measured at fair value through the Income Statement.

1. a. Accounting policies (continued)

Cash flow hedges
Derivative financial instruments and hedging derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered in to and then subsequently measured at fair value. The gain or loss on re-measurement to fair value is recognised immediately in the Income Statement, except where derivatives qualify for hedge accounting, in which case recognition of any resultant gain or loss depends on the recognition of item being hedged.

Where the hedged risk is the cash flow risk in a firm commitment or a highly probable forecast transaction, the Company recognises the effective part of any gain or loss on the derivative financial instrument in OCI. Any ineffective portion of the hedge is recognised immediately in the Income Statement.

The fair value of the forward currency contracts is calculated by reference to current forward exchange contracts with similar maturity profiles. The hedging gains or losses recognised in OCI are reclassified to the Income Statement when the hedged item is recognised or when the hedging relationship ends.

Foreign *currency*
Foreign currency transactions, being transactions denominated in a currency other than the Company's functional currency, are translated at the weekly average foreign exchange rates, which approximates to actual rates. Where a material transaction occurs, the spot rate is used or a hedged rate of exchange, if the transaction is expressly hedged by a derivative financial instrument and that hedge had been deemed effective.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction, or measured at the hedged rates where the non-monetary transaction was originally hedged by a derivative financial instrument and that hedge has been deemed effective.

Foreign exchange differences arising on translation are recognised in the Income Statement except for differences arising on the retranslation of qualifying cash flow hedges and items which are fair valued with changes taken to OCI.

Provisions
A provision is recognised when the Company 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 and are discounted to present value where the effect is material.

1. b. Critical judgements and estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the date of the financial statements and the amounts reported for revenues and expenses during the reporting period. Actual outcomes could differ from those estimates.

The following items are considered the key sources of estimation uncertainty:

Impairments
Assets are reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carry amount may not be recoverable. When an asset review is conducted the recoverable amount is determined based on value in use calculations. This method requires the Company to determine the period over which to assess future cashflows, the value of the cash flows and their growth, nature and value of overhead to allocate to the cash generating unit and the discount rate assumptions.

1. b. Critical judgments and estimates (continued)

Inventory provisioning

Inventory provisions are recognised where the net realisable value from the sale of inventory is estimated to be lower than its carrying value, requiring estimation of the expected future sale price. The estimation includes judgement and estimate on a number of factors including historic sales patterns, expected sales profiles potential obsolescence and shrinkage.

Post-retirement benefits

The cost of defined benefit pension plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates,.future salary increases, mortality rates and future pension increases.

Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency. The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases and pension increases are based on expected future inflation rates for the respective country.

The following items are considered key accounting judgements:

Operating lease commitments

The Company enters leases as a lessee from which it obtains the use of property, plant and equipment. The classification of such leases as operating or finance lease requires the Company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

Deferred tax

Management estimation is required to determine the amount of deferred tax that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

2. Turnover

The turnover of the Company derives from its activities in the shoe trade.

The geographical source of turnover is principally the UK and ROI and the turnover by ultimate geographical market is:

	48 weeks to 31 December 2022 £'m	52 weeks to 29 January 2022 £'m
UK and ROI	**346.5**	325.5
Americas	**0.1**	-
Europe	**93.7**	118.3
Asia Pacific	**62.5**	68.1
	502.8	511.9

Included within turnover is £6.9m (29 Jan 2022: £7.4m) of royalty income.

3. Operating profit

a. Other costs charged/(credited) in arriving at operating profit includes:

	48 weeks to 31 December 2022 £'m	52 weeks to 29 January 2022 £'m
Amortisation of intangible assets	**9.1**	11.7
Depreciation of owned assets	**6.8**	9.7
Net impairment of tangible and intangible assets	**(1.1)**	0.2
Impairment of investments	**-**	5.0
Operating lease rentals		
- land and buildings	**19.6**	22.0
- plant and equipment	**0.9**	0.3
Auditors' remuneration	**1.5**	0.6
Operating lease rental income		
- land and buildings	**-**	(0.2)

Audit fees for the Group's consolidated and subsidiary financial statements are borne by the Company. Included within auditors' remuneration of £1.5m is £0.1m in relation to audit-related assurance services.

3. Operating profit

b. Average number of full-time and part-time employees:

	Number	Number
Sales and distribution	**4,492**	4,166
Administration	**547**	586
	5,039	4,752

The average number of employees has been calculated on a monthly weighted average. The total number of employees at period end was 4,703 (29 Jan 2022: 4,306).

c. Employment costs:

	£'m	£'m
Wages and salaries	**69.5**	80.0
Social security costs	**7.4**	7.8
Pension current service cost – defined benefit schemes (see note 19)	**0.3**	0.7
Pension contributions – defined contribution scheme (see note 19)	**5.6**	6.6
	82.8	95.1

d. Aggregate emoluments of the directors:

	£'m	£'m
Directors' services		
- salaries and benefits in respect of qualifying services	**0.4**	1.3

Directors of C&J Clark (No 1) Limited are remunerated through C. & J. International Limited and are included in the above. None of the Directors were members of defined contributions or defined benefit schemes. The emoluments of the highest paid director totalled £0.0m (29 Jan 2022: £0.6m).

e. Other income

Included within other income is £25.6m in relation to intercompany royalty income (29 Jan 2022: £21.5m).

During the prior year, the Company received Government grants in the form of the Coronavirus Job Retention Scheme ("CJRS"), the Company claimed £4.7m through this scheme. In addition to this, the UK government introduced support for retail businesses in the form of business rates relief during 2021, the Company claimed £0.4m during the period (29 Jan 2022: £7.0m).

4. Interest receivable and payable

a. Interest receivable and similar income

	48 weeks to 31 December 2022	52 weeks to 29 January 2022
	£'m	£'m
Interest receivable	**0.7**	0.1
Fair value of non-hedge accounted derivatives	**0.1**	-
Net interest income on pension scheme (see note 19)	**2.7**	0.5
	3.5	0.6

b. Interest payable and similar expenses

	48 weeks to 31 December 2022	52 weeks to 29 January 2022
	£'m	£'m
Interest payable	**(10.7)**	(11.2)
Fair value of non-hedge accounted derivatives	**-**	(0.9)
	(10.7)	(12.1)

5. Tax on profit

a. Analysis of charge/(credit) in the period:

	48 weeks to 31 December 2022	52 weeks to 29 January 2022
	£'m	£'m
Current taxation:		
UK corporation tax at 19.0% (29 Jan 2022: 19.0%)	**0.0**	0.1
Overseas taxation on income for the period	**2.0**	0.7
Group Relief	**(0.3)**	-
Adjustments in respect of prior periods	**(0.7)**	(1.0)
Total current tax	**1.0**	(0.2)
Movement in deferred taxation:		
Effective change in tax rate	**-**	(1.6)
Adjustments in respect of prior periods	**(0.3)**	-
Other origination and reversal of timing differences	**6.6**	(17.0)
Total deferred tax (see note 15)	**6.3**	(18.6)
Tax on profit	**7.3**	(18.8)

b. Factors affecting tax charge/(credit)

The tax assessed for the period is higher than the standard rate of corporation tax in the UK, which is 19.0% (29 Jan 2022: 19.0%). The differences are explained below:

	48 weeks to 31 December 2022	52 weeks to 29 January 2022
	£'m	£'m
Profit before tax	**29.9**	12.7
At the average standard rate of Corporation Tax for the period in the UK of 19.0% (29 Jan 2022: 19.0%)	**5.7**	2.4
Depreciation on items not qualifying for capital allowances	**0.1**	0.2
Deferred tax rate differential	**1.5**	(0.5)
Adjustments in respect of prior periods	**(1.0)**	(1.0)
Non-deductible impairment of investments	**-**	1.0
Intra-group transfer pricing adjustment	**-**	0.5
Tax on unremitted earnings	**(0.3)**	0.2
Movements in deferred tax	**(0.1)**	(21.5)
Other	**1.4**	(0.1)
Total tax (see note 5(a))	**7.3**	(18.8)

5. Tax on profit (continued)

b. Factors affecting tax charge/(credit) (continued)

The Finance Act 2021 enacted on 10 June 2021 increased the main rate of UK corporation tax from 19% to 25%, effective from 1 April 2023. Accordingly, UK deferred tax has been provided and recognised at the rates applicable when the timing differences are expected to reverse.

6. Intangible fixed assets

	Trademark	Software Costs	Assets under construction	Total
	£'m	£'m	£'m	£'m
Cost:				
At 30 January 2022	0.7	104.0	2.0	106.7
Capital expenditure	-	0.5	12.1	12.6
Disposals	-	-	(0.7)	(0.7)
Transfers	-	0.6	(0.6)	-
At 31 December 2022	**0.7**	**105.1**	**12.8**	**118.6**
Accumulated Amortisation:				
At 30 January 2022	0.6	80.3	-	80.9
Charge for the period	-	9.1	-	9.1
At 31 December 2022	**0.6**	**89.4**	**0.0**	**90.0**
Net book value:				
At 31 December 2022	**0.1**	**15.7**	**12.8**	**28.6**
At 29 January 2022	0.1	23.7	2.0	25.8

7. Tangible fixed assets

	Land & Buildings	Plant & Equipment	Assets under construction	Total
	£'m	£'m	£'m	£'m
Cost:				
At 30 January 2022	56.6	212.9	0.7	270.2
Capital expenditure	0.1	0.5	3.3	3.9
Disposals	(0.4)	(6.2)	-	(6.6)
Transfers	0.1	0.1	(0.2)	-
At 31 December 2022	**56.4**	**207.3**	**3.8**	**267.5**
Accumulated Depreciation:				
At 30 January 2022	23.3	197.5	-	220.8
Charge for the period	1.4	5.4	-	6.8
Impairment	-	(1.1)	-	(1.1)
Disposals	(0.4)	(6.1)	-	(6.5)
At 31 December 2022	**24.3**	**195.7**	**-**	**220.0**
Net book value:				
At 31 December 2022	**32.1**	**11.6**	**3.8**	**47.5**
At 29 January 2022	33.3	15.4	0.7	49.4

Impairment loss and subsequent reversal
During the period impairment losses of £1.3m (29 Jan 2022: £0.3m) have been subsequently reversed within administrative expenses in the Income Statement as a result of retail stores previously impaired returning to profitability. Additional impairments of £0.2m (29 Jan 2022: £0.2m) have been recorded within administrative expenses as a result of new retail stores becoming impaired.

Land and buildings
The net book value of land and buildings comprises:

	31 December 2022	29 January 2022
	£'m	£'m
Freehold	**28.9**	29.5
Long leasehold	**2.1**	2.2
Short leasehold	**1.1**	1.6
	32.1	33.3

8. Investments

	Total £'m
Cost:	
At 30 January 2022	50.4
Additions	-
At 31 December 2022	**50.4**
Provision for impairment:	
At 30 January 2022	29.9
Impaired during the period	-
At 31 December 2022	**29.9**
Net book value:	
At 31 December 2022	**20.5**
At 29 January 2022	20.5

9. Shares in Group undertakings

Companies Act 2006 requires that the address of the registered office for all undertakings be included in the Annual Report. The registered offices have been cross referenced to the footnote below the table.

The Company holds the following investments of the Group:

Name of company	Registered address	Country of Incorporation	Proportion held by Company
Subsidiaries:			
Hallco 367 Limited	1	England	100%
Clarks Dongguan Footwear Services Company Limited	2	China	100%
Clarks India Services Private Limited	3	India	100%
C&J Clark Latin America, Inc.	4	USA	100%
Clarks Americas Canada Retail Limited	5	Canada	100%
C. & J. Clark Canada Limited	5	Canada	100%
C&J Clark Hong Kong Limited	6	Hong Kong	100%
C & J Clark Pension Fund Trustees Limited	1	England	100%
Clarks Vietnam Footwear Services LLC	7	Vietnam	100%

9. Shares in Group undertakings (continued)

Name of company	Registered address	Country of Incorporation	Proportion held by Company
Joint ventures:			
Clarks Reliance Footwear Private Limited	8	India	50%

Registered offices:

1. 40 High Street, Street, Somerset, BA16 0EQ, United Kingdom.
2. 3A Heng Zheng Plaza, Station Road North, Yuan Wu Bian, Nancheng District, Dongguan City, Guangdong Province, China.
3. TVH Beliciaa Towers, Tower II, 9th Floor, 1st Main Road, MRC Nagar, R.A., Puram, Chennai, Tamil Nadu – 600028, India.
4. 140, Building C, Level 1, Kendrick Street, Needham, Massachusetts, 02494, United States.
5. 4090 Ridgeway Drive, Unit 1, Mississauga, Ontario, L5L 5X5, Canada.
6. 46F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.
7. 10th Floor, TNR Tower, 180-192 Nguyen Cong Tru Street, Nguyen Thai Binh Ward, District 1, Ho Chi Minh City, Vietnam.
8. A/202, Second Floor, Fulcrum, Sahar Road, Andheri (East), Next to Hyatt Regency, Mumbai, India.

10. Inventories

	31 December 2022 £'m	29 January 2022 £'m
Finished goods and goods for resale	**185.0**	136.6

Included within inventory in 2022 are below cost provisions of £4.1m (29 Jan 2022: £4.1m).

11. Debtors

	31 December 2022 £'m	29 January 2022 £'m
Trade debtors	**34.3**	21.8
Amounts owed by Group undertakings	**74.0**	68.9
Other debtors	**2.3**	2.5
Financial derivatives	**9.2**	1.8
Prepayments and accrued income	**21.2**	10.1
	141.0	105.1

Amounts owed by group undertakings are unsecured and are repayable on demand.

12. Creditors: amounts falling due within one year

	31 December 2022 £'m	29 January 2022 £'m
Trade creditors	**76.1**	76.3
Amounts owed to Group undertakings	**254.0**	248.4
Corporation tax	**4.4**	3.0
Other taxation and social security	**5.1**	3.7
Other creditors	**6.3**	9.8
Financial derivatives	**3.0**	0.5
Accruals and deferred income	**81.7**	60.7
	430.6	402.4

Amounts owed to group undertakings are unsecured and are repayable on demand. Interest is charged at SONIA plus 1.5% plus a credit spread adjustment on the loan.

13. Creditors: amounts falling due after more than one year

	31 December 2022 £'m	29 January 2022 £'m
Financial derivatives	**1.2**	-
	1.2	-

14. Provisions for liabilities

Current:

	30 January 2022	Provided in period	Released in period	Utilised	**31 December 2022**
	£'m	£'m	£'m	£'m	**£'m**
Other	2.9	4.4	(2.9)	-	**4.4**
Long-term incentive plan	-	0.6	-	-	**0.6**
	2.9	5.0	(2.9)	-	**5.0**

Non-current:

	30 January 2022	Provided in period	Released in period	Utilised	**31 December 2022**
	£'m	£'m	£'m	£'m	**£'m**
Dilapidation provision	0.9	4.4	(0.4)	(0.1)	**4.8**
Onerous lease provision	4.5	0.9	(3.4)	(0.9)	**1.1**
	5.4	5.3	(3.8)	(1.0)	**5.9**

Dilapidation provision
A provision is recognised over the life of the lease to reflect the liability under the lease agreement for expected costs required to restore leased properties to their original condition. It is expected that these costs will be incurred at the end of the lease agreement.

Onerous lease provision
A provision has been recognised for the unavoidable net cash losses of leased stores. The provision will be utilised in line with the forecasted cash losses.

Other
Other provisions are comprised of sales returns. Wholesale returns are agreed in advance with customers in line with contractual terms, retail and MCR returns are received in accordance with terms of sale.

15. Deferred tax liability

	31 December 2022 £'m	29 January 2022 £'m
Accelerated capital allowances	**(3.1)**	(6.1)
Short term timing differences	**2.3**	0.5
Holdover relief	**6.2**	6.2
Trading losses	**(23.8)**	(23.9)
Pension fair value and timing differences	**21.9**	30.4
	3.5	7.1

	31 December 2022 £'m
Provision at start of period	**7.1**
Deferred taxation credit in other comprehensive income	**(9.9)**
Deferred taxation charge in the Income Statement for the period (see note 5(a))	**6.3**
Provision at end of period	**3.5**

16. Called up share capital

	31 December 2022 £'m	29 January 2022 £'m
Authorised, issued, allotted and fully paid 18,028,202 ordinary shares of £1 each	**18.0**	18.0

17. Reserves

Revaluation reserve
The reserve records when the value of an asset becomes greater than that it was held at previously on the balance sheet.

Cash flow hedge reserve
The reserve arises from the adoption of cash flow hedge accounting in relation to the companies exchange rate hedging activities during the period.

18. Financial commitments

Commitments by the Company for capital expenditure not provided for in the financial statements were:

	31 December 2022	29 January 2022
	£'m	£'m
Contracted but not provided for	**1.1**	0.5

Annual commitments by the Company in respect of non-cancellable operating leases are:

	Land and building	Land and building	**Plant and equipment**	Plant and equipment
	31 December 2022 £'m	29 January 2022 £'m	**31 December 2022 £'m**	29 January 2022 £'m
Expiring within one year	**19.5**	18.5	**0.1**	0.1
Expiring between two and five years	**38.3**	48.8	**0.0**	0.1
Expiring after five years	**8.2**	36.8	**-**	-
	66.0	104.1	**0.1**	0.2

19. Pension commitments

Retirement benefits

The Company operates a defined benefit schemes in the UK, with two sections: the C&J Clark Pension Fund (the Fund) and the Clarks Flexible Pension Scheme (the Scheme). An actuarial valuation of the Fund and the Scheme was carried out at 6 April 2020. These were updated for the purposes of FRS 102 to 31 .December 2022 by a qualified independent actuary.

19. Pension commitments (continued)

	31 December 2022 £'m	29 January 2022 £'m
Change in benefit obligation for defined benefit sections:		
Benefit obligation at the beginning of period	**1056.0**	1177.0
Administration costs	**2.3**	2.1
Interest cost	**20.8**	16.1
Past service costs	**0.3**	0.7
Actuarial gain	**(293.6)**	(85.4)
Benefits paid	**(45.8)**	(54.5)
Benefit obligation at the end of the period	**740.0**	1056.0

	31 December 2022 £'m	29 January 2022 £'m
Change in plan assets for defined benefit sections:		
Fair value of plan assets at the beginning of the period	**1177.6**	1204.1
Expected return on plan assets	**23.5**	16.6
Actuarial loss	**(336.9)**	(8.2)
Employer contribution	**9.2**	19.6
Benefits paid	**(45.8)**	(54.5)
Fair value of plan assets at the end of the period	**827.6**	1177.6
Funded status	**87.6**	121.6
Unrecognised past service cost	**-**	-
Net amount recognised	**87.6**	121.6

Components of pension cost:	31 December 2022 £'m	29 January 2022 £'m
Administration costs	**2.3**	2.1
Contributions – defined contribution scheme	**5.6**	6.6
Interest cost	**20.8**	16.1
Expected return on plan assets	**(23.5)**	(16.6)
Past service cost	**0.3**	0.7
Total pension cost recognised in the Income Statement	**5.5**	8.9
Actuarial (loss)/gain immediately recognised in other comprehensive income	**(43.3)**	77.2
Cumulative amount of actuarial gains/(losses) immediately recognised since 1 February 2005	**18.2**	(25.1)

19. Pension commitments (continued)

	31 December 2022 £'m	29 January 2022 £'m
Movement in surplus during the period:		
Surplus in the scheme at the beginning of the period	**121.6**	27.1
Administration costs	**(2.3)**	(2.1)
Contributions	**9.2**	19.6
Past service costs	**(0.3)**	(0.7)
Net return on assets	**2.7**	0.5
Actuarial (loss)/gain	**(43.3)**	77.2
Surplus in the scheme at the end of the period	**87.6**	121.6
Unfunded unapproved retirement benefit scheme	**(0.6)**	(0.8)
Pension asset at the end of the period	**87.0**	120.8

Plan assets:
The weighted average asset allocations at the period end were as follows:

	31 December 2022	29 January 2022
Asset category:		
Equities	**0.1%**	0.1%
Bonds	**52.3%**	92.3%
Real estate	**7.2%**	5.1%
Insurance Contracts	**22.8%**	-
Alternative credit / diversifying strategies	**12.7%**	-
Cash	**4.9%**	2.5%
	100.0%	100.0%

	31 December 2022 £'m	29 January 2022 £'m
Actual return on plan assets	**(313.4)**	8.4

Weighted average assumptions used to determine benefit obligations:

		31 December 2022	29 January 2022
Discount rate		**4.75%**	2.20%
Rate of increase in pensions in payment:	- Fund	**3.05%**	3.45%
	- Scheme	**2.45%**	2.90%
Rate of increase in pensions in deferment		**2.45%**	2.90%
Inflation assumption		**3.15%**	3.60%

19. Pension commitments (continued)

Weighted average life expectancy for mortality tables used to determine benefit obligations:

		31 December 2022	29 January 2022
Member age 65 (current life expectancy)	- Male	**22.2**	22.3
	- Female	**24.1**	24.2
Member age 45 (life expectancy at age 65)	- Male	**23.4**	23.5
	- Female	**25.9**	26.0

Weighted average assumptions used to determine net pension cost for the period end:

		31 December 2022	29 January 2022
Discount rate		**4.75%**	2.20%
Expected long-term return on plan assets		**4.75%**	2.20%
Rate of increase in pensions in payment:	- Fund	**3.05%**	3.45%
	- Scheme	**2.45%**	2.90%
Rate of increase in pensions in deferment		**2.45%**	2.90%
Inflation assumption		**3.15%**	3.60%

Five-year history:	31 December 2022	29 January 2022	2021	2020	2019
	£'m	£'m	£'m	£'m	£'m
Benefit obligation at end of period	**(740.0)**	(1,056.0)	(1,177.0)	(1,104.9)	(1,045.3)
Fair value of plan assets at end of period	**827.6**	1,177.6	1,204.1	1,254.5	1,127.8
Surplus in scheme	**87.6**	121.6	27.1	149.6	82.5
Actual return less expected return on scheme assets	**(321.7)**	(8.2)	(23.8)	151.8	21.0
Percentage of period-end scheme assets	**(38.9%)**	(0.7%)	(2.0%)	12.1%	1.9%
Experience gains/(losses) arising on scheme liabilities	**291.3**	85.4	(109.4)	(97.1)	8.5
Percentage of period-end scheme liabilities	**39.4%**	8.1%	(9.3%)	(8.8%)	0.8%

Contributions

During the period ending 31 December 2023, the Company expects to make contributions towards pension deficits, of £0.4m to the UK schemes and pay £16.4m into an Escrow account.

20. Financial instruments and risk management

a. *Carrying amount of financial instruments*

	31 December 2022 £'m	29 January 2022 £'m
Assets measured at fair value through cash flow hedge reserve		
- Forward exchange contracts	**9.5**	2.2
Assets measured at amortised cost		
- Other debtors	**131.8**	114.0
Liabilities measured at fair value through cash flow hedge reserve		
- Forward exchange contracts	**(4.2)**	(0.5)
Liabilities measured at amortised cost		
- Other creditors	**(427.6)**	(417.1)

During the period £8.8m of gains (29 Jan 2022: £1.0m of gains) were recycled from the cash flow hedge reserve to the Income Statement. The change in the fair value of financial instruments recognised through the cash flow hedge reserve in the period was a loss of £5.5m (29 Jan 2022: gain of £10.5m).

b. *Financial instruments measured at fair value*

Derivative financial instruments

The Company does not engage in foreign currency speculation but covers its future trading requirements through use of forward exchange contracts and options. Due to short-term fluctuations in exchange rates, the year-end rates will always be different from contract rates.

Forward exchange contracts

The fair value of forward exchange contracts is based on their market price on the relevant date. 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).

20. Financial instruments and risk management (continued)

c. *Hedge Accounting*

The following table indicates the periods in which the cash flows associated with cash flow hedging instruments are expected to occur:

	As at 31 December 2022					As at 29 January 2022				
	1 year or less	**1 to <2 years**	**2 to <5 years**	**5 years and over**	**Carrying amount**	1 year or less	1 to <2 years	2 to <5 years	5 years and over	Carrying amount
	£m	**£m**	**£m**	**£m**	**£m**	£m	£m	£m	£m	£m
Forward exchange contracts										
Assets	**121.1**	**24.4**	**-**	**-**	**145.5**	75.2	55.6	-	-	130.8
Liabilities	**(84.2)**	**(23.4)**	**-**	**-**	**(107.6)**	(18.3)	-	-	-	(18.3)
	36.9	**1.0**	**-**	**-**	**37.9**	56.9	55.6	-	-	112.5

The following table indicates the periods in which the cash flows associated with cash flow hedging instruments are expected to affect profit or loss:

	As at 31 December 2022					As at 29 January 2022				
	1 year or less	**1 to <2 years**	**2 to <5 years**	**5 years and over**	**Carrying amount**	1 year or less	1 to <2 years	2 to <5 years	5 years and over	Carrying amount
	£m	**£m**	**£m**	**£m**	**£m**	£m	£m	£m	£m	£m
Forward exchange contracts										
Assets	**121.1**	**24.4**	**-**	**-**	**145.5**	67.9	62.9	-	-	130.8
Liabilities	**(63.7)**	**(43.9)**	**-**	**-**	**(107.6)**	(18.3)	-	-	-	(18.3)
	57.4	**(19.5)**	**-**	**-**	**37.9**	49.6	62.9	-	-	112.5

Treasury management:

Treasury operations
The Company's funding, liquidity, currency and interest rate risks are managed by a Treasury Committee working within a framework of policies authorised by the Board. The policies are reviewed and updated annually where necessary.

Interest rate risk
The Company is exposed to interest rate risk principally in relation to borrowings and deposits denominated in Sterling, US Dollar and the Euro. The Group's practice is to use fixed rate debt (and when appropriate, derivative contracts) to maintain an appropriate mix of fixed and floating rate borrowings to manage this risk.

Currency risk
The Treasury function manages currency exposure on the cash flows arising from the Company's trading operations by entering into forward dated FX contracts which are schedule to mature throughout the period in line with detail forecasts of future transaction flows.

20. Financial instruments and risk management (continued)

d. Currency profile and interest rates at nominal value

	As at 31 December 2022			As at 29 January 2022		
	Gross borrowings	**Cash at bank and in hand**	**Net (cash)/ borrowings**	Gross borrowings	Cash at bank and in hand	Net (cash)/ borrowings
	£m	**£m**	**£m**	£m	£m	£m
Currency:						
Sterling	-	**5.8**	**5.8**	-	70.1	70.1
US dollar	-	**(41.8)**	**(41.8)**	-	(126.9)	(126.9)
Euro	-	**(3.3)**	**(3.3)**	-	(9.5)	(9.5)
Other	-	**(0.4)**	**(0.4)**	-	(3.9)	(3.9)
	-	**(39.7)**	**(39.7)**	-	(70.2)	(70.2)

	As at 31 December 2022			As at 29 January 2022		
Borrowing for financing purposes:	**Gross borrowings**	**Cash at bank and in hand**	**Net (cash)/ borrowings**	Gross borrowings	Cash at bank and in hand	Net (cash)/ borrowings
	£m	**£m**	**£m**	£m	£m	£m
Sterling	-	-	-	-	-	-
	-	-	-	-	-	-

The Company's borrowing facilities are available at floating rates. This is an Asset Based Lending Facility of $250m (c.£204.2m) across the Group, interest rates are based upon a margin of 1.5% plus SONIA plus a credit spread adjustment.

21. Contingent liabilities

There were no contingent liabilities at the period end (29 Jan 2022: £nil).

22. Related party transactions

Transactions with C&J Clark Limited
There were £0.3m (29 Jan 2022: £0.2m) of costs incurred by C. & J. Clark International Limited in relation to C&J Clark Limited, these costs were recharged to C&J Clark Limited.

Transactions with Viva China Consumables Limited
During the period following 2 July 2022, there were £0.2m of costs incurred by C. & J. Clark International Limited which were recharged to Viva China Consumables Limited.

Transactions with subsidiaries
As the Company is a wholly owned subsidiary of C&J Clark (No 1) Limited, the Company has taken advantage of the exemption contain in FRS 102 Section 33.1A and has therefore not disclosed transactions or balances with wholly owned subsidiaries that form part of the Group. The consolidated financial statements of C&J Clark (No 1) Limited, within which this Company is included, can be obtained from Companies House at the address shown in note 23.

Transactions with joint ventures
During the period, sales to Clarks Reliance Footwear Private Limited, a joint venture incorporated in India, totalled £4.9m (29 Jan 2022: £4.6m) and the balance due from Clarks Reliance Footwear Private Limited at 29 January 2022 was £4.5m (29 Jan 2022: £4.6m). A provision for doubtful debt of £4.8m (29 Jan 2022: £4.8m) has been recognised in relation to the amounts owed from the Joint Venture.

23. Ultimate parent company

The Company's immediate parent undertaking is C. & J. Clark (Holdings) Limited.

On 2 July 2022 Viva Goods Company Limited (previously known as Viva China Holdings Limited) became the controlling and ultimate parent company of the Clarks group when indirect subsidiary, Viva China Consumables Limited acquired 51% of the LionRock investment entity, LionRock Capital Partners QiLE Limited.

The largest group of undertakings for which group financial statement are drawn up and of which the company is a member is Viva Goods Company Limited (previously known as Viva China Holdings Limited). The address of the registered office is 2/F, PopOffice, 9 Tong Yin Street, Tseung Kwan O, New Territories, Hong Kong. Copies of the financial statements can be obtained from this address.

The smallest undertaking for which the company is a member and for which group financial statements are prepared is C&J Clark (No 1) Limited, which is incorporated in England. The registered office for C&J Clark (No 1) Limited is 40 High Street, Street, Somerset BA16 0EQ. Copies of its consolidated financial statements, which include the Company, are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.