

**Mi Hub Limited**

Annual report and financial statements

Registered number 00454264

For the 52 weeks ended 29 July 2023

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## **Contents**

Directors and professional advisers	1
Strategic report	2
Directors' report	9
Independent auditor's report to the members of Mi Hub Limited	12
Profit and loss account and other comprehensive income	16
Balance sheet	17
Statement of changes in equity	18
Notes	19

## **Directors and professional advisers**

### **Directors**

Mrs H J Brooks  
Mr A Ostrowski  
Mr P A Ellis

### **Registered office**

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Willow Farm Business Park  
Castle Donington  
Derbyshire  
DE74 2UG

### **Bankers**

Lloyds Bank plc  
6th Floor  
125 Colmore Row  
Birmingham  
B3 3SF

PNC Business Credit  
PNC House  
34/36 Perrymount Road  
Haywards Heath  
West Sussex  
RH16 3DN

### **Independent auditor**

RSM UK Audit LLP  
Suite A, 7<sup>th</sup> Floor  
East West Building, 2 Tollhouse Hill  
Nottingham  
NG1 5FS

## Strategic report

The Directors present the annual report and financial statements of Mi Hub Limited ('the Company') for the 52 week period ended 29 July 2023.

### Principal activities

The principal activities of the Company continue to be the design, sourcing, distribution, and management of corporate clothing and workwear to public and private sector customers throughout the United Kingdom, Europe, and rest of the world.

The Company operates as the largest provider of corporate clothing and workwear in the United Kingdom under the Dimensions, Alexandra, and Yaffy brands. The Company also manages the sourcing and product development of garments sold in Europe and the US by its subsidiaries and affiliated companies. The Company sells its products and associated services through multiple channels including managed corporate accounts, catalogues, and digital platforms.

The Company's objectives are to attain a clear understanding of each customer's brand and provide a programme of garments and a service solution that fits the needs of their business, whether through a managed account approach or leveraging its catalogue product lines which incorporate the latest innovations in fabric and style. The aim is to deliver ethically sourced products which are unparalleled in design, quality, and value, supported by world class customer service encompassing forecasting and inventory management.

The Company provides products and services to a diverse customer matrix, with customers ranging from global brands to individual entrepreneurs and operating in a wide range of sectors including retail, banking, airlines, quick service restaurants, travel, distribution, public sector, healthcare, hospitality, facilities management, laundries, leisure, and beauty.

The Company is a wholly owned subsidiary undertaking of Measured Identity Hub Limited. The largest and smallest group (the "Group") in which the results of the Company and its group are consolidated is that headed by Measured Identity Hub Limited.

### Business review

#### *Financial highlights and key performance indicators*

The Directors' primary measures of the performance of the business is EBITDA being Operating loss before depreciation, amortisation, loss on disposal of tangible assets and loss on disposal of intangible assets

A reconciliation of EBITDA to figures in the statutory financial statements is as follows:

	<b>52 weeks ended 29 July 2023 £000</b>	52 weeks ended 30 July 2022 £000
<b>Operating loss</b>	<b>(1,344)</b>	(13,970)
Add back depreciation	<b>1,591</b>	1,594
Add back loss on disposal of tangible assets	<b>375</b>	-
Add back amortisation	<b>1,508</b>	681
Add back loss on disposal of intangible assets	<b>12</b>	-
<b>Total EBITDA</b>	<b>2,142</b>	(11,695)

The EBITDA of £2,142,000 in the 52 week period ended 29 July 2023 which, as a percentage of turnover, represents an EBITDA margin of 1.4% (52 weeks ended 30 July 2022: £(11,695,000) and (7.7)%).

The Directors are focused on the ongoing workwear business which they consider to be the driver of the ongoing success of the Group, there are two key items which drive the majority of the improvement in performance:

## **Strategic report (continued)**

### **Business review (continued)**

*Impairment of PPE stocks (note 7)* - Following COVID-19 being declared a global pandemic in March 2020, the Company began to source and personal protective equipment ("PPE") to meet exceptional demand from both corporate and public sector customers. However, demand and consequently market pricing for PPE declined dramatically as social distancing measures were relaxed. In the current period a £2,181,000 impairment of additional covid related stocks was recorded as a result the Directors decision to donate and dispose of the said excess stock in order to free up warehousing space for the core workwear business. In the prior period, an £18,496,000 impairment of PPE stocks was recorded as a result of saturation of the PPE market. No medical PPE items or excess covid goods remain in stock as at the signing date of these accounts.

*Net foreign exchange losses/(gains) on valuation of forward currency contracts (note 7)* - The company records the market valuation of open hedging contracts through the P&L account. Losses of (£3,116,000) of were recorded in the current period and £1,830,000 of unrealised gains recorded in the prior period.

Disregarding the covid stock and PPE write offs as well as accounting for unrealised forward contract gains & losses, there is an underlying £2,468,000 improvement in EBITDA. This due to improved profitability of the US business as a result of investment in prior periods which streamlined operations and a focus on improving profit margins in the UK by working with customers to maintain fair pricing and with suppliers to identify areas for efficiency and cost savings.

Directors' strategy in the current year was to improve return on capital employed by lowering stock levels through an energetic range rationalisation and clearance programme. As a result, the impairment charges increased as presented in notes 7 and 16. Despite this the company's underlying performance showed significant improvement.

### **Future developments and post balance sheet events**

The Company and wider group continues to pursue opportunities for organic growth in its core market, being the provision of corporate clothing and workwear to public and private sector customers. In the coming year, underlying performance is expected to be consistent with the current year.

On 28 November 2023, the Group's financing arrangements were amended and extended. The amended facility comprises a £10,000,000 term loan and asset based lending facilities of up to £40,000,000 and is in place for 3 years.

### **Section 172 statement**

The Directors of the Company must act in accordance with their duties under the Companies Act 2006. These include a fundamental duty to promote the success of the Company for the benefit of its members as a whole. The information which follows describes how, in performing their duties during the period, the Directors have had regard to the matters set out in Section 172 of Companies Act 2006 in respect of the Company.

#### *s172(1)(a) The likely consequences of any decision in the long-term*

The Board of Directors ('the Board') maintains oversight of the Company's performance through regular board meetings, and reserves to itself specific matters for approval including significant new business initiatives and capital projects. For example, during the period, the Board has approved a new ERP implementation project. Through the collective experience of its Directors, the Board ensures all relevant information is received to enable it to make well-judged decisions in support of the Company's long-term success.

#### *s172(1)(b) The interests of the company's employees*

The Board recognises the outstanding work done by the employees of the Company and considers its people key to the success of the Company and its long-term prospects. Accordingly, the Company continues to invest in the training, development, and retention of employees who are passionate about the business and underpin its current and future success. The Board is also aware of its responsibilities in relation to the health and safety of its employees and has ensured there is a robust system of checks and controls in place to safeguard the physical and emotional wellbeing of its employees. Further information on how the Board acts in the interests of the employees of the Company can be found in the 'our people' and 'health and safety' sections of this Strategic report.

## Strategic report (continued)

### Section 172 statement (continued)

#### *s172(1)(c) The need to foster the company's business relationships with suppliers, customers, and others*

The Board recognises the importance of maintaining strong business relationships with its external stakeholders and works to ensure that excellent customer service and honest business practices are engrained within the Company's culture.

With regards to its suppliers, the aim is for the Company to be fair and ethical in its dealings with suppliers, pay them to agreed terms and be a collaborative and responsive partner. In particular, the Board recognises the responsibilities of the Company towards its supply chain and has engaged in initiatives such as the Ethical Trading Initiative ('ETI'), Sedex membership, and the BSR's HERproject initiative, as well as recently becoming a member of the Slave-Free Alliance. Further details of these initiatives can be found in the 'supply chain' section of this Strategic report.

With regards to its customers, the Company's objectives are to attain a clear understanding of each customer's brand and provide a programme of garments and a service solution that fits the needs of their business, whether through a managed account approach or leveraging its catalogue product lines which incorporate the latest innovations in fabric and style. To this end, the Company's engagement with customers takes place mainly at an operational level with the Company able to offer world class account management and customer service through its network of skilled and experienced employees.

The Company also maintains a healthy business relationship with its debt funder, PNC Business Credit, through providing regular business updates and information regarding the assets on which its facilities are secured. The importance of this relationship to the future successes of the Company is recognised by the Board.

#### *s172(1)(d) The impact of the company's operations on the community and the environment*

The Board recognises that the day-to-day operations of the Company have an impact on the environment and is committed to minimising the effects of such action through the implementation of a BS EN ISO 14001 accredited environmental framework alongside its BS EN ISO 9001 accreditation. The Company is committed to various sustainability targets including the use of sustainable cotton and recycled polyester as part of its multiyear CSR strategy. The Company is also committed to investing in systems and infrastructure to drive down its carbon footprint, for example limiting vehicles within its fleet to low CO<sub>2</sub> emitting models and rolling out LED lighting across various of its sites, see the 'Streamlined Energy and Carbon Reporting' section of the Directors report for details.

The Company endeavours to contribute positively to the communities in which it operates, most importantly by promoting the wellbeing of employees within its wide-reaching supply chain as detailed in 's172(1)(c)' above. Closer to home, the Company is proud to support its employees in their charitable endeavours, as well as regularly partnering with its customers over charitable initiatives, see the 'charitable donations' section of this Strategic report for details. Finally, the Board understand the importance of taxes that are paid in supporting the development and growth of the communities in which the Company operates, and a responsible approach is taken in respect of all tax obligations.

#### *s172(1)(e) The desirability of the company maintaining a reputation for high standards of business conduct*

The Board is responsible for the development of a corporate culture which promotes the highest standards of business conduct across the Company. Accordingly, the Board approves policies and procedures which promote corporate responsibility and ethical behaviour. These include (but are not limited to) the CSR policy, the Equal Opportunities and Diversity policy, the Ethical Sourcing & Manufacture policy, the Environmental policy, and the Company's Modern Slavery Statement.

#### *s172(1)(f) The need to act fairly as between members of the company*

The relationship between the Company and its members is guided by the Company's Articles of Association and Investment Agreement, each of which are readily available to the members and have been passed as resolutions in the proper manner.

## **Strategic report (continued)**

### **Principal risks and uncertainties**

The Company reviews risks and uncertainties on an ongoing basis. This is facilitated by both the Corporate Risk Register, which is reviewed twice annually and approved annually by the Board, and by the Company's Risk Management System which focuses on identifying, managing, and mitigating risk at both a strategic and operational level.

Key risks and uncertainties faced by the Company, along with their mitigating factors, are set out below:

#### *Financial risks*

The Company's operations expose it to a variety of financial risks that include the effects of changes in credit, liquidity, interest rate, foreign currency, and market risk. The Group has in place a series of policies and procedures that seeks to limit the adverse effects on the financial performance of the Group.

Treasury policy is reviewed by the Board and specifies the parameters within which treasury operations must be conducted, including the principles governing the management of liquidity, interest rate and foreign currency risk. As part of its strategy, the Company uses derivative financial instruments to manage foreign currency risk. The Company does not use derivative financial instruments to manage interest rate costs. Derivative financial instruments are not entered into for speculative purposes.

#### *Credit risk*

The Company has implemented policies that require appropriate credit checks on potential customers before sales are made under credit. The amount of exposure to any individual customer is subject to a limit, which is regularly reassessed by the Directors.

#### *Liquidity risk*

The Company's operations are funded by bank facilities comprising an asset based lending facility and an asset backed amortising loan. Financial covenants are attached to the facilities and the Company regularly reviews its trading results and forecasts to ensure it has sufficient headroom within its facilities to accommodate reasonable fluctuations in outturn. The Company maintains detailed cashflow forecasts to manage short term liquidity risk.

#### *Interest rate risk*

The Directors continually monitor the overall impact of borrowing and interest costs to limit any adverse effects on the financial performance of the Company. The Company does not use derivative financial instruments to manage interest rate costs.

#### *Foreign currency risk*

In line with the Company's hedging policy, forward currency contracts are entered into by the Company to manage foreign currency risk. Forward currency contracts are taken out in line with the forecast currency requirements of the Company and are not used for speculative purposes.

#### *Market risk*

The Company has a broad customer base across multiple industries and sectors with no single customer making up a significant proportion of the Company's turnover. The Directors keep this under constant review to ensure that undue reliance on any one customer does not develop.

#### *Employee risk*

The Company manages employee risk through succession planning and investment in learning and development to maintain a diversified, talented and agile workforce. We have a recruitment and retention strategy underway to ensure we are appealing to prospective candidates and retain well trained staff.

#### *Health and safety risk*

The Company has clearly defined health and safety policies which follow current best practices and meet or exceed legal requirements. The health and safety policies are brought to the attention of all employees and copies of the policy documents are available upon request. Mandatory health and safety awareness training has been completed by all employees.

## **Strategic report (continued)**

### **Principal risks and uncertainties (continued)**

#### *Supply chain management*

The Company adopts a rigorous selection process to ensure its suppliers operate within an appropriate ethical framework, are able to deliver on time and to the required quality standards. Regular supplier audits and inspections are conducted to ensure compliance and efficiency of the supply chain is maintained. The supplier base is well spread with no excess reliance on any one factory. The Company monitors the domestic, political, and financial factors of the countries in which its suppliers operate.

#### *Business continuity*

The Company's business continuity plans are reviewed on a regular basis to ensure they are robust and fit for purpose. In line with ISO 22301 Business Continuity good practice guidelines, the Company has documented procedures and controls in place to maintain the integrity and efficiency of the IT systems, including recovery plans which would be implemented in the event of a major failure. IT security is monitored and updated to ensure data is protected from unauthorised use and corruption. The business continuity plans for all significant activities and operations are reviewed and tested on a regular basis.

#### *Information security and cyber risk*

As the nature of cyber-attack risk is constantly changing and becoming more sophisticated, the Company continually works towards improving its mitigating controls and supports investment and resource in this critical area. The Company's Cyber Security Strategy is regularly reviewed and progress against key metrics and maturity levels is monitored as part of the monthly Security Working Group.

The Company holds ISO 27001 Information Security certification and has a dedicated team for the management of this critical certification and best practice guidance.

### **Corporate social responsibility**

The Company places great emphasis on corporate social responsibility and deems it to be important not only for its employees and stakeholders, but also vital for continued business success.

We recognise that as a business we have obligations to support people, the environment and to have good governance to support the business. We have an evolving 5-year sustainability strategy in place called 'CREATE'. CREATE forms one of the four pillars of Mi Hub's ESG programme which focuses on achieving Carbon Net Zero; delivering phase two of their CREATE strategy; adopting a Great Place to Work philosophy and developing a best practice approach to ESG Governance. Key initiatives that the business is engaged in include:

#### ***Our people***

Our people are core to the business and its values. The hard work and perseverance of the workforce is reflected in the performance and the ethos that the Company holds today. Individuals are recognised both for their endeavours, and for their length of service. The involvement of employees in the performance and direction of the business is encouraged and efforts are made to give all employees an understanding of its financial position through periodic briefings. The Directors would like to thank everyone at the Company for their contributions and continued efforts.

The Company regularly interacts with its employees via our internal intranet, employee forums, frequent team gatherings and proactively encourages a strong working culture which is rewarded with annual social events and activities, be they in person or virtual. The Company is committed to providing training and development for employees at all levels and is constantly reviewing and improving its procedures and provision. Online learning through the provision of books and e-learning management development modules is made available to employees. The Company operates suggestion schemes and welcomes input and ideas which are implemented to encourage continuous improvement activity.

Stakeholder feedback is periodically encouraged throughout the year including a detailed annual employee survey. Small employee engagement surveys are also conducted throughout the year gaining feedback on subjects such as mental health and wellbeing support and introduction of a hybrid working policy.

The Company is an employer of equal opportunities and is determined to ensure that no applicant or employee receives less favourable treatment on the grounds of race, age, gender, disability, religion, belief, sexual orientation, or marital status. The Company records and reports internally on Gender Pay Gap annually and has developed a statement to reflect its stance with regard to Modern Slavery, working closely with external advisors from Slave Free Alliance, with whom we are members.



## **Strategic report (continued)**

### ***Health and safety***

The Board is aware of its responsibilities on all matters relating to health and safety of employees, customers, on-site contractors and visitors, and others affected by the Company's activities. A monthly accidents and incidents report across all sites is generated and reported to the Board for review and relevant issues relating to compliance with health and safety legislation and health and safety matters are an agenda item at Board meetings when warranted.

The Company has clearly defined health and safety policies which follow current best practices and meet or exceed legal requirements. These policies define the Company's aspirations for health and safety affairs, including protecting the health and well-being of its employees, and ensuring that the responsibilities of all categories of employees within the Company are made clear to those concerned. The health and safety policies are brought to the attention of all employees and copies of the policy documents are available upon request. Mandatory health and safety awareness training has been completed by all employees.

The Company has arrangements in place to consult employees regarding health and safety matters via employee forums. These are regular meetings of site based committees which comprise employee representatives and health and safety representatives as appropriate.

The Company ensures that those working from home complete a home working risk assessment and are provided the necessary equipment needed to carry out duties from a home environment.

### ***Supply chain***

The Board recognise that the health, safety and welfare of all employees, external stakeholders and the wider community who may be affected by its operations is of primary importance in the successful conduct of its business.

The Company has been a member of the Ethical Trading Initiative (ETI) for 17 years. Suppliers are encouraged and supported in their efforts to embrace and implement the ETI nine point base code of practice. The Base Code is an internationally recognised set of labour standards based on the International Labour Organisation conventions. The Company works to ensure that the welfare of workers and labour conditions within its supply chain meet or exceed recognised standards, it constantly strives to improve working conditions and human rights in an environmentally friendly workplace. The Company's CSR activities are aligned to 6 of the 17 United Nations Sustainable Development Goals, namely 'No Poverty', 'Good Health and Well-Being', 'Gender Equality', 'Decent Work and Economic Growth', 'Responsible Consumption and Production', and 'Climate Action'.

As a member of the ETI, the Company commits to clear objectives to minimise risk in the supply chain by having a constructive audit and training programme which includes an investigative approach to risk management. Since 2014, the Company has embraced a SMETA (Sedex Members Ethical Trading Audit) 4 Pillar audit which includes an extensive review of environmental, management and business practices plus a Critical Issues Assessment audit 6 months after which provides a score set against risk profiles. The audits are in adherence to the Ethical Trade Initiative Base Code and applicable country laws. With support from the Company's dedicated compliance team, these audit and training programmes support the supply chain to be more effective and help position the Company as an ethical leader in the manufacture of garments.

The Company's commitment to compliance goes above and beyond the realms of ethical audits however; indeed, the Company strives to better the lives of its partners in the supply chain, and to develop its own internal business culture through implementing a number of knowledge building and training programmes.

The Company has partnered with Business for Social Responsibility (a non-profit organisation) on the HERproject, which is the leading collaborative force in empowering low-income women at work overseas. These women tend to have low education levels, live far from their families in rented premises and are often migrants from rural areas. Through the HERproject, the business helps to change the lives of women who work its supply chain by schooling them on the importance of their health, finances, and gender equality.

The Company actively promotes the understanding of its commitment to ethical compliance by participating in induction sessions and holding regular meetings and structured training programmes for its staff. The Company's buying, forecasting, and account management teams have been trained in collaboration with the ETI on their buying ethically programme.

The Company's robust audit and training programme has enhanced transparency in the supply chain and underpins its responsibility to promote the lives of workers who manufacture garments for the Company. KPI reports have been developed from scored audits that measure the success of the Company's suppliers against country laws and the ETI base code. The Company has continued to see improvements in its supplier audits and endeavours to drive these further.

## **Strategic report (continued)**

### **Corporate social responsibility (continued)**

#### **Supply chain (continued)**

The Company is required by law to publish, via its website, an annual Modern Slavery Statement detailing its monitoring processes, risk assessments and activities in the business and supply chain to ensure that Modern Slavery is not present. This is reviewed annually with the Company's measurable targets updated and reported against. The Modern Slavery Statement is also available to view on the central Government registry.

In January 2020, the Company became members of the social enterprise and membership initiative, Slave-Free Alliance.

The Company recognises the importance of monitoring its processes and their environmental impact. In November 2020, the Company committed to sustainability targets as part of a multiyear strategy which includes the use of sustainable cotton and recycled polyester, chemical management, and recycled plastics.

#### **Compliance**

##### *International Organisation for Standardisation (ISO)*

The Group is certified to ISO 9001, 14001, 27001 and 31000 certification. Its commitment to these International Standards compliments its range of high-quality products, service delivery, environmental responsibility, and a dedication to Information Security. The Group continues to reassure its global stakeholders with a progressive business nature which drives the continuous development required to meet the changing needs of the industry.

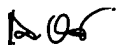
##### *Cyber Security Essentials Plus*

The Group has successfully maintained accreditation with Cyber Essentials Plus, a UK government endorsed scheme, since 2018. The Cyber Essentials Plus certification validates the internal system controls and safeguards from cyber threats by an independent Certification Body.

##### *Centre for Internet Security ('CIS') Controls*

The Group has an established Cyber Security Strategy that has been aligned to the CIS critical security controls framework. The Security Working Group chaired by the Group CISO-as-a-Service provider continues to implement the required controls, policies, processes, and technologies to comply with the requirements of the CIS critical security controls framework and improve the overall IT Security maturity level of the group.

Approved by the Board and signed on its behalf by:



**Mr A Ostrowski**  
*Director*

08/12/23



## **Directors' report (continued)**

### **Future developments and post balance sheet events**

Please refer to the Strategic report (page 3) for details of future developments and post balance sheet events.

### **Going concern**

The Company is the largest UK provider of clothing for people at work with the number of garments supplied in the period at over 20 million, and with almost 5 million people a day wearing our products. Our industry leading service offering, combined with the strength of our procurement, has led to new business being captured, while retaining the vast majority of our existing major customers.

Company law requires directors to consider whether it is appropriate to prepare the financial statements on a going concern basis. Accordingly, the Directors have reviewed the forecasts of the Company to determine whether the committed facilities are sufficient to support the Company's projected liquidity requirements and whether the forecast earnings are sufficient to meet the liabilities of the Company as they fall due.

The Group is principally financed by loan notes totalling £23,900,000 on which interest is rolled up and on which the principal amounts and interest are not repayable until 2026 together with a banking facility, which was renewed in November 2023, comprising a £10,000,000 asset backed amortising loan and revolving credit facilities of up to £40,000,000 with a 3 year term expiring in 2026. There is one annual rolling profit covenant attached to the banking facility which is springing, based on a minimum cash headroom requirement of £10,000,000.

A reasonable worst case scenario has been considered, modelling the impact of a prolonged economic depression leading to suppressed sales activity and mounting inflationary pressures increasing the cost base. In considering the output of downside scenario testing relative to the Company's going concern position, the Directors have also considered the additional actions which may be available to mitigate the impact on liquidity such as restructuring and reducing capital expenditure.

In both the baseline forecast and reasonable worst case scenarios, the cash flow forecasts support there being sufficient headroom in place to meet the springing profit covenant.

As a result of these reviews and having considered a period greater than 12 months from the date of the approval of these financial statements, the Directors are of the opinion that the Company has adequate resources to continue in operational existence for the foreseeable future. The Directors have therefore adopted the going concern basis in preparing these financial statements.

### **Streamlined energy and carbon reporting**

In accordance with the Streamlined Energy and Carbon Reporting ('SECR') requirement of the *Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018*, the annual greenhouse gas ('GHG') emissions of the Company, and the methodologies and processes used to calculate these emissions, are presented with in the annual report of the ultimate parent company, Measured Identity Hub Limited.

### **Disclosure of information to auditors**

Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

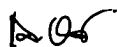
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

**Directors' report** *(continued)*

**Auditor**

In the year, RSM UK Audit LLP were appointed as the Company's auditor. Pursuant to section 487 of Companies Act 2006, the auditor will be deemed to be reappointed and RSM UK Audit LLP will therefore continue in office.

Approved by the Board and signed on its behalf by:



**Mr A Ostrowski**  
*Director*

08/12/23

## **Independent auditor's report to the members of Mi Hub Limited**

### **Opinion**

We have audited the financial statements of Mi Hub Limited ('the 'company') for the year ended 52-week period ended 29 July 2023 which comprise the profit and loss account, balance sheet, statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 29 July 2023 and of its loss for the 52-week period then ended then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Independent auditor's report to the members of Mi Hub Limited (continued)**

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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

## **Independent auditor's report to the members of Mi Hub Limited (continued)**

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to employment law, GDPR and health and safety. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these laws and regulations.

The audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to:

- Testing manual journal entries and other adjustments using data analytics software;
- Evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business; and
- Cut-off testing and substantive testing procedures to validate revenue recognition throughout the period.

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



## **Independent auditor's report to the members of Mi Hub Limited (continued)**

### **Use of our report**

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

*Neil Stephenson*

Neil Stephenson (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Suite A, 7th Floor  
East West Building  
2 Tollhouse Hill  
Nottingham  
NG1 5FS

08/12/23

**Profit and loss account**  
for the 52 weeks ended 29 July 2023

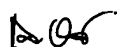
	Note	52 weeks ended 29 July 2023 £000	52 weeks ended 30 July 2022 £000
<b>Turnover</b>	5	150,145	152,632
Cost of sales		(105,209)	(102,697)
<b>Gross profit</b>		44,936	49,935
Distribution costs		(10,271)	(12,019)
Administrative expenses		(33,324)	(32,075)
Impairment of PPE stocks	7	(2,181)	(18,496)
Other exceptional items	7	(591)	(1,324)
<b>Operating expenses</b>		(46,367)	(63,914)
Other operating income	6	87	9
<b>Operating loss</b>		(1,344)	(13,970)
<b>EBITDA memo</b>			
<b>Operating loss</b>		(1,344)	(13,970)
Add back depreciation	14	1,591	1,594
Add back loss on disposal of tangible assets	14	375	-
Add back amortisation	13	1,508	681
Add back loss on disposal of intangible assets	13	12	-
<b>EBITDA</b>		2,142	(11,695)
Interest receivable and similar income	10	720	717
Interest payable and similar expenses	11	(1,874)	(1,468)
<b>Loss before taxation</b>		(2,498)	(14,721)
Tax on loss	12	141	2,929
<b>Loss for the financial period</b>		(2,357)	(11,792)

All results are derived from continuing operations. There is no other comprehensive income/expense during the period.

**Balance sheet**  
*at 29 July 2023*

	<i>Note</i>	<b>29 July 2023</b>	<b>30 July 2022</b>
		<b>£000</b>	<b>£000</b>
<b>Fixed assets</b>			
Intangible assets	13	3,351	3,864
Tangible assets	14	3,783	5,359
Investments	15	807	15
		<hr/>	<hr/>
		7,941	9,238
<b>Current assets</b>			
Stocks	16	46,452	59,949
Debtors (including amounts due after one year of £4,567,000 (2022: £4,253,000))	17	38,554	50,492
Cash at bank and in hand		5,073	2,648
		<hr/>	<hr/>
		90,079	113,089
<b>Creditors: amounts falling due within one year</b>	18	(47,024)	(67,816)
		<hr/>	<hr/>
<b>Net current assets</b>		43,055	45,273
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		50,996	54,511
<b>Creditors: amounts falling due after more than one year</b>	19	(3,495)	(4,880)
<b>Provisions for liabilities</b>	21	(3,862)	(3,635)
		<hr/>	<hr/>
<b>Net assets</b>		43,639	45,996
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	23	10,000	10,000
Share premium account	23	9,384	9,384
Capital contribution reserve	23	14,501	14,501
Profit and loss account		9,754	12,111
		<hr/>	<hr/>
<b>Shareholders' funds</b>		43,639	45,996
		<hr/>	<hr/>

These financial statements were approved and authorised for issue by the Board of Directors on 08/12/23 and were signed on its behalf by:



**Mr A Ostrowski**  
*Director*

Company registered number: 00454264

**Statement of changes in equity**  
for the 52 weeks ended 29 July 2023

	Called up share capital £000	Share premium account £000	Capital contribution reserve £000	Profit and loss account £000	Total equity £000
Balance at 1 August 2021	10,000	9,384	14,501	28,903	62,788
Loss for the period	-	-	-	(11,792)	(11,792)
Total comprehensive income for the period	-	-	-	(11,792)	(11,792)
Transactions with owners - dividend paid to parent	-	-	-	(5,000)	(5,000)
<b>Balance at 30 July 2022</b>	<b>10,000</b>	<b>9,384</b>	<b>14,501</b>	<b>12,111</b>	<b>45,996</b>

	Called up share capital £000	Share premium account £000	Capital contribution reserve £000	Profit and loss account £000	Total equity £000
Balance at 31 July 2022	10,000	9,384	14,501	12,111	45,996
Loss for the period	-	-	-	(2,357)	(2,357)
Total comprehensive income for the period	-	-	-	(2,357)	(2,357)
<b>Balance at 29 July 2023</b>	<b>10,000</b>	<b>9,384</b>	<b>14,501</b>	<b>9,754</b>	<b>43,639</b>

## Notes

*(forming part of the financial statements)*

### 1 General information

Mi Hub Limited (the “Company”) is a private company limited by shares and incorporated in England and Wales. The registered number is 00454264 and the address of the registered office is 3 Long Acre, Willow Farm Business Park, Castle Donington, Derbyshire, DE74 2UG. The nature of the Company’s operations and its principal activities are set out in the Strategic report and Directors’ report.

### 2 Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (“FRS 102”) and the Companies Act 2006 including the provisions of the Large and Medium sized Companies and Group (Accounts and Reports) Regulations 2008.

### 3 Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to each of the financial periods presented unless otherwise stated.

#### 3.1 Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention, except for the revaluation of financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. The presentational currency of these financial statements is pounds sterling. All amounts in the financial statements have been rounded to the nearest £1,000 unless otherwise stated.

The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included in the consolidated financial statements of its immediate parent company, Measured Identity Hub Limited, by virtue of being a subsidiary at the balance sheet date.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group and company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

#### 3.2 Exemptions for qualifying entities under FRS 102

The largest group in which the results of the Company are consolidated is that headed by Measured Identity Hub Limited. The consolidated financial statements of Measured Identity Hub Limited are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ. In these financial statements, the Company is therefore considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- The reconciliation of the number of shares outstanding from the beginning to the end of the period;
- Certain disclosures required by FRS 102.26 Share Based Payments;
- Cash Flow Statement with related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Measured Identity Hub Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

## Notes (continued)

### 3 Accounting policies (continued)

#### 3.3 Going concern

The Company is the largest UK provider of clothing for people at work with the number of garments supplied in the period at over 20 million, and with almost 5 million people a day wearing our products. Our industry leading service offering, combined with the strength of our procurement, has led to new business being captured, while retaining the vast majority of our existing major customers.

Company law requires directors to consider whether it is appropriate to prepare the financial statements on a going concern basis. Accordingly, the Directors have reviewed the forecasts of the Company to determine whether the committed facilities are sufficient to support the Company's projected liquidity requirements and whether the forecast earnings are sufficient to meet the liabilities of the Company as they fall due.

The Group is principally financed by loan notes totalling £23,900,000 on which interest is rolled up and on which the principal amounts and interest are not repayable until 2026 together with a banking facility, which was renewed in November 2023, comprising a £10,000,000 asset backed amortising loan and revolving credit facilities of up to £40,000,000 with a 3 year term expiring in 2026. There is one annual rolling profit covenant attached to the banking facility which is springing, based on a minimum cash headroom requirement of £10,000,000.

A reasonable worst case scenario has been considered, modelling the impact of a prolonged economic depression leading to suppressed sales activity and mounting inflationary pressures increasing the cost base. In considering the output of downside scenario testing relative to the Company's going concern position, the Directors have also considered the additional actions which may be available to mitigate the impact on liquidity such as restructuring and reducing capital expenditure.

In both the baseline forecast and reasonable worst case scenarios, the cash flow forecasts support there being sufficient headroom in place to meet the springing profit covenant.

As a result of these reviews and having considered a period greater than 12 months from the date of the approval of these financial statements, the Directors are of the opinion that the Company has adequate resources to continue in operational existence for the foreseeable future. The Directors have therefore adopted the going concern basis in preparing these financial statements.

#### 3.4 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency, pounds sterling, at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. 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. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

#### 3.5 Exceptional items

Certain charges or credits considered material to the understanding of the financial performance of the Company are presented as exceptional items in the profit and loss account. The Directors are of the opinion that the separate presentation of such exceptional items provides helpful information to the users of the financial statements.

#### 3.6 Turnover

Revenue is measured at fair value of the consideration received or receivable and represents the amount receivable for goods and services provided in the normal course of business, net of returns, discounts and value added taxes.

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer (which is predominantly on delivery), the amount of revenue can be measured reliably, and it is probable that the economic benefits of the transaction will flow to the entity.

## Notes (continued)

### **3 Accounting policies (continued)**

#### **3.7 Royalties**

Royalty revenue is recognised based on the accruals model in accordance with the substance of the relevant agreement provided that the amount of revenue can be measured reliably, and it is probable that the economic benefits of the transaction will flow to the entity.

#### **3.8 Government grants**

Government grants are recognised based on the performance model and are measured at the fair value of the asset received or receivable. Grants are recognised in income only when all performance-related conditions are satisfied. Grants received before all performance-related conditions are satisfied are held as deferred income.

#### **3.9 Employee benefits**

The Company provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans.

##### *Short term benefits*

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

##### *Defined contribution pension plans*

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

Contributions to the plan are recognised as an expense when they fall due. Amounts not paid are shown in accruals in the balance sheet whereas prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in future payments is available. The assets of the plan are held separately from the Company in independently administered funds.

#### **3.10 Interest**

Interest receivable and similar income includes interest receivable on loans to other group undertakings.

Interest payable and similar expenses include interest payable on borrowings, interest payable on loans from other group undertakings, finance expenses on shares classified as liabilities, and unwinding of the discount on provisions.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

#### **3.11 Taxation**

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

##### *Current tax*

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

##### *Deferred tax*

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.

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 balance sheet date. Deferred tax balances are not discounted.

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.

## Notes (continued)

### 3 Accounting policies (continued)

#### 3.12 Other intangible fixed assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

The cost of other intangible assets acquired in a business combination are capitalised separately from goodwill if the fair value can be measured reliably at the acquisition date.

Research and development expenditure is recognised in the profit and loss account as an expense as incurred.

##### *Amortisation*

Amortisation is charged to administrative expenses within the profit and loss account on a straight-line basis over the estimated useful lives of the intangible assets. Intangible assets are amortised from the date they are available for use.

Other intangible assets are amortised over their estimated useful lives as follows:

- |            |          |
|------------|----------|
| • brands   | 10 years |
| • software | 3 years  |

The Company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date. Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

#### 3.13 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

##### *Depreciation*

Depreciation is charged to administrative expenses within the profit and loss account on a straight-line basis over the estimated useful lives of each asset. The estimated useful lives for each category of tangible fixed asset are as follows:

- |                          |               |
|--------------------------|---------------|
| • leasehold improvements | 10 – 25 years |
| • plant and equipment    | 2 – 15 years  |

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits. The effect of any change is accounted for prospectively.

The Company assesses at each reporting date whether tangible fixed assets are impaired.

##### *Derecognition*

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.



## Notes (continued)

### 3 Accounting policies (continued)

#### 3.14 Impairment of non-financial assets excluding stocks and deferred tax assets

The carrying amounts of the entity's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### 3.15 Operating leases

Payments made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

#### 3.16 Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

##### *Financial assets*

Basic financial assets, including trade receivables and other receivables, loans to other group companies, and cash at bank and in hand are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled; or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party; or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

## **Notes (continued)**

### **3 Accounting policies (continued)**

#### **3.16 Financial instruments (continued)**

##### *Financial liabilities*

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Derivatives, including forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled, or expires.

##### *Offsetting*

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### *Hedging arrangements*

The Company does not apply hedge accounting in respect of forward foreign exchange contracts held to manage the cash flow exposures of forecast transactions denominated in foreign currencies.

#### **3.17 Investments**

Investments in subsidiary companies are carried at cost less impairment losses.

#### **3.18 Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition.

Stocks are assessed for impairment at the end of each reporting period. If an item of stock is impaired, the identified stock is reduced to its estimated selling price less costs to sell and an impairment charge is recognised in the profit and loss account. Where a reversal of the impairment is required the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the profit and loss account. Provision is made for obsolete, defective, and slow-moving stock.

#### **3.19 Cash at bank and in hand**

Cash at bank and in hand includes cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are presented within current liabilities.

## Notes (continued)

### 3 Accounting policies (continued)

#### 3.20 Provisions and contingencies

##### *Provisions*

A provision is recognised in the balance sheet when the entity 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 measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

##### *Contingencies*

Contingent liabilities are not recognised, except those acquired in a business combination. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date, or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the group's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Financial guarantee contracts entered into to guarantee the indebtedness of other group companies are treated as a contingent liability until such time as it becomes probable that payment under the guarantee will be required.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

#### 3.21 Classification of financial instruments issued by the entity

In accordance with FRS 102.22, financial instruments issued by the entity are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the entity to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the entity; and
- (b) where the instrument will or may be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the entity's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

#### 3.22 Distributions to equity holders

Dividends and other distributions to equity holders are recognised as a liability in the financial statements in the period in which they are approved. These amounts are recognised in the statement of changes in equity.

#### 3.23 Related party transactions

The Company disclose transactions with related parties which are not wholly owned with the same group. Transactions with wholly owned members of the group are not disclosed.

## Notes (continued)

### 4 Critical accounting judgements and estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### *Critical judgements in applying the Company's accounting policies*

There are no critical judgements to disclose.

#### *Key source of estimation uncertainty*

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, are discussed below.

*Provisions against stock (note 16)* – A number of estimates and assumptions are incorporated within the provisions and impairments against stock. These include estimates and assumptions relating to future usage of slow moving stock, and in the calculation of net realisable value for impaired stock. The Directors also consider commercial factors when providing against stock, including whether the stock is specific to a customer considered to be in financial difficulty, or is guaranteed by an enforceable underwrite clause with the customer.

*Dilapidations provision (note 21)* – The Group has obligations to restore its leasehold properties to their original condition at the end of the lease terms. An estimate is required of the cost of works required at the end of each lease, this is made using a professional dilapidations liability assessment.

*Provisions against trade receivables (note 17)* – The provision against trade receivables is calculated by applying an estimated recoverability percentage against the respective aging buckets. Commercial factors are also considered such as whether a customer is considered to be in financial difficulty.

## Notes (continued)

### 5 Turnover

The following table provides an analysis of the Company's revenue by geographical market, irrespective of the origin of the goods and service:

	52 weeks ended 29 July 2023 £000	52 weeks ended 30 July 2022 £000
United Kingdom and Ireland	148,716	147,770
Other European	1,333	4,828
Other worldwide	96	34
	<u>150,145</u>	<u>152,632</u>

The following table provides an analysis of the Company's revenue by category:

	52 weeks ended 29 July 2023 £000	52 weeks ended 30 July 2022 £000
Sale of goods	145,206	147,274
Provision of services	4,749	5,159
Royalties and commissions	190	199
	<u>150,145</u>	<u>152,632</u>

### 6 Other operating income

	52 weeks ended 29 July 2023 £000	52 weeks ended 30 July 2022 £000
Government grants – coronavirus support	-	9
Government grants – RDEC	87	-
	<u>87</u>	<u>9</u>

Government grants relate to the UK Government's Research and Development Expenditure Credit (RDEC) scheme. In the prior period, Government grants were also received in respect of the UK Government's Coronavirus Job Retention Scheme. There are no unfulfilled performance-related conditions in relation to these grants.

## Notes (continued)

### 7 Expenses and auditors' remuneration

Included in operating loss are the following charges/(credits):

	52 weeks ended 29 July 2023 £000	52 weeks ended 30 July 2022 £000
Amortisation of capitalised software (note 13)	1,428	601
Amortisation of other intangible assets (note 13)	80	80
Loss on disposal of intangible assets (note 13)	12	-
Depreciation of tangible fixed assets (note 14)	1,591	1,594
Loss on disposal of tangible assets (note 14)	375	-
Cost of stock recognised as an expense	100,397	104,241
Net foreign exchange losses/(gains) on valuation of forward currency contracts	3,116	(1,830)
Net realised exchange gains on forward currency contracts	(1,456)	(1,586)
Net foreign exchange gains on revaluation of monetary items	(379)	(1,225)
Impairment loss/(reversal) on trade receivables (note 17)	229	(340)
Impairment loss on PPE and covid related stock (note 16)	2,181	18,496
Impairment loss on stock (note 16)	3,917	1,311
Impairment loss on investment in subsidiaries (note 15)	-	577
Operating lease rentals – land and buildings	1,685	1,928
Operating lease rentals – plant and equipment	618	616
Exceptional items	591	1,324
	<hr/>	<hr/>

Exceptional items relate to the restructuring of the business leading to a reduction in headcount.

Auditor's remuneration:

	52 weeks ended 29 July 2023 £000	52 weeks ended 30 July 2022 £000
Audit of these financial statements	116	171
	<hr/>	<hr/>

Amounts receivable by the Company's auditor and its associates in respect of services to the Company, other than the audit of the Company's financial statements, have not been disclosed as this information is included in the consolidated financial statements of its immediate parent company, Measured Identity Hub Limited.

## Notes (continued)

### 8 Staff numbers and costs

The monthly average number of persons employed by the Company during the period (including directors) was as follows:

	52 weeks ended 29 July 2023 Number	52 weeks ended 30 July 2022 Number
Distribution	187	199
Administration and selling	395	396
	<u>582</u>	<u>595</u>

The aggregate payroll costs of these persons were as follows:

	52 weeks ended 29 July 2023 £000	52 weeks ended 30 July 2022 £000
Wages and salaries	18,174	17,153
Social security costs	1,660	1,667
Contributions to defined contribution scheme	628	662
	<u>20,462</u>	<u>19,482</u>

### 9 Directors' remuneration

Upon acquisition of the Company by Measured Identity Hub Limited on 16 August 2019, the Directors entered into new service contracts with Measured Identity Hub Limited. Accordingly, details of Director remuneration in the post-acquisition period can be found in the consolidated financial statements of Measured Identity Hub Limited.

### 10 Interest receivable and similar income

	52 weeks ended 29 July 2023 £000	52 weeks ended 30 July 2022 £000
Interest receivable from group undertakings	704	717
Bank interest received	16	-
	<u>720</u>	<u>717</u>

### 11 Interest payable and similar expenses

	52 weeks ended 29 July 2023 £000	52 weeks ended 30 July 2022 £000
Interest payable on bank loans and overdrafts	1,527	1,062
Amortisation of bank loans and overdrafts issue cost	214	266
Unwind of discount on provisions	133	140
	<u>1,874</u>	<u>1,468</u>

## Notes (continued)

### 12 Taxation

#### Total tax recognised in the profit and loss account

	52 weeks ended 29 July 2023 £000	52 weeks ended 30 July 2022 £000
<i>Current tax</i>		
Adjustments in respect of prior periods	173	(856)
Total current tax	173	(856)
<i>Deferred tax (note 22)</i>		
Origination and reversal of timing differences	(314)	(3,326)
Adjustments in respect of prior periods	-	1,253
Total deferred tax	(314)	(2,073)
Total tax	(141)	(2,929)

#### Reconciliation of effective tax rate

	52 weeks ended 29 July 2023 £000	52 weeks ended 30 July 2022 £000
Loss excluding taxation	(2,498)	(14,721)
Tax using the average UK corporation tax rate of 21% (52 weeks ended 30 July 2022: 19%)	(525)	(2,797)
Fixed asset differences	151	82
Expenses not deductible for tax purposes	79	188
Research and development expenditure credit	(18)	-
Adjustments in respect of prior periods	173	396
Movement in deferred tax not recognised	59	-
Increase in tax rate on deferred tax balances	(60)	(798)
Total tax credit included in profit or loss	(141)	(2,929)

#### Factors that may affect future current and total tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Act 2021 (on 24 May 2021). This includes an increase to the main rate from 19% to 25% with effect from 1 April 2023.

Deferred taxes at each of the balance sheet date have been measured using tax rates substantively enacted at each of the balance sheet dates.



## Notes (continued)

### 13 Intangible assets

	Capitalised software £000	Brands £000	Total £000
<b>Cost</b>			
At 31 July 2022	10,311	800	11,111
Additions	1,007	-	1,007
Disposals	(4,469)	-	(4,469)
	<hr/>	<hr/>	<hr/>
At 29 July 2023	6,849	800	7,649
	<hr/>	<hr/>	<hr/>
<b>Amortisation and impairment</b>			
At 31 July 2022	7,007	240	7,247
Amortisation charged during the period	1,428	80	1,508
Disposals	(4,457)	-	(4,457)
	<hr/>	<hr/>	<hr/>
At 29 July 2023	3,978	320	4,298
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 31 July 2022	3,304	560	3,864
	<hr/>	<hr/>	<hr/>
At 29 July 2023	2,871	480	3,351
	<hr/>	<hr/>	<hr/>

The brands intangible asset relates to the Alexandra trademark which was acquired in a business combination, the amortisation of which is included within administrative expenses within the profit and loss account.

## Notes (continued)

### 14 Tangible assets

	Leasehold improvements £000	Plant and equipment £000	Total £000
<i>Cost or valuation</i>			
At 31 July 2022	9,987	11,184	21,171
Additions	72	320	392
Disposals	(2,737)	(6,868)	(9,605)
	<hr/>	<hr/>	<hr/>
At 29 July 2023	7,322	4,636	11,958
	<hr/>	<hr/>	<hr/>
<i>Depreciation and impairment</i>			
At 31 July 2022	6,804	9,008	15,812
Depreciation charged during the period	883	708	1,591
Disposals	(2,552)	(6,676)	(9,228)
	<hr/>	<hr/>	<hr/>
At 29 July 2023	5,135	3,040	8,175
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 July 2022	3,183	2,176	5,359
	<hr/>	<hr/>	<hr/>
At 29 July 2023	2,187	1,596	3,783
	<hr/>	<hr/>	<hr/>

### 15 Investments

	Shares in group undertakings £000
<i>Cost or valuation</i>	
At 31 July 2022	592
Additions	792
	<hr/>
At 29 July 2023	1,384
	<hr/>
<i>Provisions</i>	
At 31 July 2022 and 29 July 2023	577
	<hr/>
<i>Net book value</i>	
At 31 July 2022	15
	<hr/>
At 29 July 2023	807
	<hr/>

Additions in the year are due to a contribution to share premium of Alexandra Corporate Fashion BV.

## Notes (continued)

### 15 Investments (continued)

The list of subsidiaries and other related companies is as follows:

Subsidiary undertaking	Country of incorporation	Registered office address	Principal activity	Percentage of ordinary shares held
Alexandra Corporate Fashion BV	Netherlands	Postbus 223, 4940 AE, Raamsdonksveer, The Netherlands	Provision of clothing to people at work	100
Alexandra IRL Limited	England and Wales	Unit 897 Moat House, 54 Bloomfield Avenue, Belfast, Northern Ireland, BT5 5AD	Provision of clothing to people at work	100

Alexandra Vetements Professionnels SARL, a 100% owned subsidiary incorporated in France was dissolved in April 2023.

### 16 Stocks

	29 July 2023 £000	30 July 2022 £000
Raw materials and consumables	2,371	5,172
Work in progress and goods in transit	5,409	8,638
Finished goods and goods for resale	38,672	46,139
	<u>46,452</u>	<u>59,949</u>

Stocks are presented in the balance sheet net of provisions for impairment of £9,415,000 (30 July 2022: £4,188,000). Provisions for impairment are estimated by management based upon prior experience and their assessment of the current and future economic environment. During the period, £6,098,000 was recognised in the profit and loss account as an impairment expense (52 weeks ended 30 July 2022: £19,807,000) which includes £2,181,000 in relation to PPE stocks purchased throughout the COVID-19 pandemic (52 weeks ended 30 July 2022: £18,496,000).

## Notes (continued)

### 17 Debtors

	29 July 2023 £000	30 July 2022 £000
Trade debtors	14,656	21,361
Amounts owed by group undertakings – short-term loans	10,857	10,857
Amounts owed by group undertakings – other	4,049	8,026
Other debtors	87	337
Current tax assets	902	2,476
Deferred tax assets (note 22)	4,567	4,253
Prepayments and accrued income	3,404	1,611
Derivative financial instruments (note 25)	32	1,571
	<hr/> 38,554	<hr/> 50,492
	<hr/> <hr/>	<hr/> <hr/>
Due within one year	33,987	46,239
Due after more than one year	4,567	4,253
	<hr/> 38,554	<hr/> 50,492
	<hr/> <hr/>	<hr/> <hr/>

Debtors include deferred tax assets of £4,567,000 (30 July 2022: £4,253,000) due after more than one year.

#### *Trade debtors*

Trade debtors are stated after provisions for impairment of £885,000 (30 July 2022: £656,000). Provisions for impairment are estimated by Company's management based on prior experience and their assessment of the current economic environment.

#### *Amounts owed by group undertakings*

Amounts owed by group undertakings includes a short-term loan with Measured Identity Hub Limited, the immediate parent company, for £10,857,000 (30 July 2022: £10,857,000). The loan is unsecured, bears interest at a rate of 6.5% per annum, has no fixed date of repayment and is repayable on demand.

All other amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

## Notes (continued)

### 18 Creditors: amounts falling due within one year

	29 July 2023	30 July 2022
	£000	£000
Asset based lending facility (note 20)	5,880	842
Bank loans (note 20)	1,600	1,600
Trade creditors	10,853	15,465
Amounts owed to group undertakings – other	-	361
Other taxation and social security	3,632	7,750
Other creditors	-	677
Accruals	8,852	8,431
Deferred income	14,630	32,690
Derivative financial instruments (note 25)	1,577	-
	<hr/>	<hr/>
	47,024	67,816
	<hr/>	<hr/>

#### *Amounts owed to group undertakings*

All amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

#### *Defined contribution pension scheme*

Amounts outstanding on 29 July 2023 to be paid to the Company's defined contribution pensions schemes is £142,000 (30 July 2022: £134,000).

### 19 Creditors: amounts falling due after more than one year

	29 July 2023	30 July 2022
	£000	£000
Bank loans (note 20)	3,495	4,880
	<hr/>	<hr/>

## Notes (continued)

### 20 Interest bearing loans and borrowings

	29 July 2023 £000	30 July 2022 £000
Asset based lending facility	5,880	842
Bank loans	5,263	6,862
Bank loans and overdrafts – transaction costs	(168)	(382)
	<hr/> 10,975 <hr/>	<hr/> 7,322 <hr/>
Amount due for settlement within one year	7,480	2,442
Amount due for settlement after one year	3,495	4,880
	<hr/> 10,975 <hr/>	<hr/> 7,322 <hr/>

#### *Bank loans and overdrafts*

Group financing was put in place following acquisition of the Company by Measured Identity Hub Limited on 16 August 2019. Of this, the Company is party to a term loan facility of up to £10,000,000 and asset based lending facilities of up to £60,000,000. Transaction costs of £1,260,000 were capitalised in relation to the new group financing arrangements. The banking facilities were renewed and amended in November 2023 putting in place a £10,000,000 asset backed term loan facility and asset based lending facilities of up to £40,000,000.

The term loan facility was drawn down in full on 16 August 2019 and was repayable via (i) three quarterly instalments of £312,500 commencing 16 February 2020, followed by (ii) four quarterly instalments of £250,000 commencing 16 November 2020, followed by (iii) 12 quarterly instalments of £400,000 commencing 16 November 2021, followed by (iv) a final instalment of £3,262,500 on the maturity date of 16 August 2024. This term loan facility was repaid in full on 29 November 2023 following a new term loan facility being put in place. The outstanding loan balance attracts interest at the Bank of England base rate plus 3.5% under both the August 2019 agreement and the amendment put in place in November 2023.

The asset based lending facilities are used variably by the business, with a drawdown of £5,038,000 made in the current period and are repayable in full on the maturity date of 28 November 2026. Outstanding loan balances attract interest at the Bank of England base rate plus 1.75%.

## Notes (continued)

### 21 Provisions for liabilities

The Company had the following provisions during the period:

	Dilapidations £000	Legal £000	Total £000
At 31 July 2022	3,580	55	3,635
Unwinding of discounted amount	133	-	133
Additions dealt with in profit and loss	-	140	140
Amounts utilised	(11)	(35)	(46)
	<hr/>	<hr/>	<hr/>
<b>At 29 July 2023</b>	<b>3,702</b>	<b>160</b>	<b>3,862</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

#### *Dilapidations provisions*

The Company has a dilapidations provision for its leasehold properties. The value of the obligation to remove all alterations and additions, make good the property and redecorate has been estimated using a professional dilapidations liability assessment. The leases expire by the end of 2025 by which point the provision will have been fully utilised.

#### *Legal provisions*

The legal provision is based on an assessment of all outstanding legal matters at the balance sheet date. The obligation value is a best estimate of the amount required to settle the outstanding legal matters at the date of this report and has been estimated by reference to a range of outcomes and their respective probabilities, as advised by the Company's legal counsel. The provision is expected to be settled within the next 12 months.

### 22 Deferred tax assets and liabilities

The provision for deferred tax consists of the following deferred tax assets/(liabilities):

	29 July 2023 £000	30 July 2022 £000
Fixed asset timing differences	(112)	(535)
Other timing differences	997	963
Unused tax losses	3,682	3,825
	<hr/>	<hr/>
	<b>4,567</b>	<b>4,253</b>
	<hr/> <hr/>	<hr/> <hr/>

Deferred tax is calculated using a tax rate of 25% (30 July 2022: 25%) being the substantively enacted rate at the balance sheet date.

The Company has recognised deferred tax assets totaling £4,567,000 (30 July 2022: £4,253,000) as the Directors believe it is probable that future taxable profits will be available against which the assets can be utilised as they reverse over the coming years.

There is no expiry date on the capital allowance tax credits, unused tax losses or other timing differences. There are no unrecognised deferred tax assets in the current period (30 July 2022: £59,000 unrecognised deferred tax liabilities).

## Notes (continued)

### 23 Called up share capital and other reserves

#### *Called up share capital*

	29 July 2023 £000	30 July 2022 £000
<b>Allotted, called up and fully paid</b>		
10,000,000 (30 July 2022: 10,000,000) ordinary shares of £1 each	10,000	10,000

The holders of the ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. Further details on the rights of the shares can be found in the Articles of Association.

#### *Share premium account*

Share premium represents the aggregate net proceeds less nominal value of the Company's issued share capital.

#### *Capital contribution reserve*

On 25 July 2018, the Company received a capital contribution of £14,501,000 from its former immediate parent company, Ensco 645 Limited. Ensco 645 Limited have no right to call for or demand repayment of any part of the contributed sum. The contribution has been assigned to the capital reserves of the Company.

### 24 Dividends

No dividends have been declared or paid in the period.

### 25 Financial instruments

The carrying amounts of the financial assets and liabilities include:

	29 July 2023 £000	30 July 2022 £000
Assets measured at fair value through profit or loss:		
- <i>Derivative financial instruments</i>	32	1,571
Assets that are debt instruments measured at amortised cost	31,638	40,581
Cash at bank and in hand	5,073	2,648
Liabilities measured at fair value through profit or loss:		
- <i>Derivative financial instruments</i>	1,577	-
Liabilities measured at amortised cost	(30,666)	(32,256)

#### *Derivative financial instruments*

The Company enters into forward foreign currency contracts to mitigate the exchange rate risk arising from certain foreign currency receipts and purchases. All outstanding contracts mature within 12 months of period end (30 July 2022: within 10 months of period end).

The total notional amount of outstanding forward exchange contracts that the Company had committed at each period end date is as follows:

	29 July 2023 \$000	30 July 2022 \$000
Forward foreign exchange contracts – denominated in US dollars	45,937	31,367

The forward foreign currency contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key input used in valuing the derivatives is the forward exchange rates for GBP:USD. The fair value of the forward foreign currency contracts at period end is a net liability of £1,545,000 (30 July 2022: net asset of £1,571,000).



## Notes (continued)

### 26 Capital and other commitments

The Company had no capital commitments at 29 July 2023 (30 July 2022: £nil).

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

	Land and buildings £000	29 July 2023 Plant and machinery £000	Land and buildings £000	30 July 2022 Plant and machinery £000
<i>Payments due</i>				
Within one year	948	259	1,829	359
Between one and five years	891	249	1,843	445
After five years	182	-	477	-
	<u>2,021</u>	<u>508</u>	<u>4,149</u>	<u>804</u>

The Company has no other off-balance sheet arrangements.

### 27 Contingencies

The Company is party to a group debenture dated 16 August 2019 in favour of PNC Business Credit ('PNC'), the lender of the group's bank loans and overdrafts. The debenture grants the lender security over all of the Company's undertakings, property, and assets (both present and future). As at 29 July 2023, the outstanding debt owed to PNC by the group was £11,143,000 (30 July 2022: £7,704,000).

The Company is party to a group debenture dated 16 August 2019 in favour of LDC (Managers) Limited as Security Trustee of various Secured Parties within LDC, a leading private equity investment firm and part of the Lloyds Banking Group. The debenture grants the Security Trustee security over all of the Company's undertakings, property, and assets (both present and future) and ranks behind the security granted to the lender, PNC. As at 29 July 2023, the outstanding debt owed to the Secured Parties by the group was £32,877,000 (30 July 2022: £29,896,000).

### 28 Related party transactions

The Company is exempt from disclosing transactions with other wholly owned group companies under Section 33.1A of FRS 102. There were no other related party transactions in the year or balances outstanding at the balance sheet date.

### 29 Ultimate parent company and parent company of larger group

The Company is a wholly owned subsidiary undertaking of Measured Identity Hub Limited which is considered to be the immediate and ultimate parent company and the controlling party.

The largest and smallest group in which the results of the Company and its group are consolidated is that headed by Measured Identity Hub Limited, 3 Long Acre, Willow Farm Business Park, Castle Donington, Derbyshire, DE74 2UG. No other group financial statements include the results of the Company.