Company Registration Number: 641365

Beaconsfield Footwear Limited

Report and Financial Statements

30 January 2022

Contents

Company Information

Directors
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D M Lampard

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Strategic report

The directors present their strategic report and the financial statements for the 52 weeks ended 30 January 2022.

Principal activities and review of the business

The company's primary undertaking is the manufacture and sale of footwear. The Company sells the majority of its product through online and traditional direct marketing to consumers in the UK and US. It also sells product through a focussed UK retail estate.

Following the appointment of Ian Watson as Chief Executive in March 2019 the Company has implemented its new strategic plan comprising four pillars as shown below.

Alignment of brand and product:

- differentiated product focussing on uncompromising comfort and fit within a structured range that meets our customers' needs; and
- unique technology solutions reinforcing our excellence in comfort and fit.

Optimal route to the consumer:

- focus on own direct to consumer channels supported by technology and strategic fitting centres to deliver an optimised customer experience; and
- partnership with third parties where appropriate.

Drive to best cost:

- optimised and resilient supply chain; and
- build / buy flexibility to ensure product range is unconstrained.

People, process and systems:

- customer facing and key internal processes optimised; and
- investment in key skills delivering customer and commercial benefit.

Strategic report (continued)

Key performance indicators

The directors monitor the following key performance indicators for the company on a monthly basis and at the period end they were as follows:

	52 weeks ended 30 January 2022	*52 weeks ended 31 January 2021*
	£000	*£000*
Turnover	51,809	44,485
Operating profit/(loss)	(1,230)	(9,245)
EBITDA	1,153	(6,834)
Adjusted EBITDA	3,773	(2,869)
Cash	3,601	4,321
Net assets/(liabilities)	(4,521)	(8,233)

Revenue increased marginally from the prior period primarily as a result of the impact of the Covid restrictions being lifted. Overall, retail revenue increased by £7million year on year whilst the business was able to grow its UK direct to consumer online revenue by 13%.

EBITDA of £1,153,000 (52 weeks ended 31 January 2021 – (£6,834,000)) is calculated as EBIT of (£1,215,000) (52 weeks ended 31 January 2021 – (£11,414,000)) adjusted to add back depreciation of £2,368,000 (52 weeks ended 31 January 2021 - £2,404,000) and impairment of amounts owed to group undertakings of £nil (52 weeks ended 31 January 2021 – £2,176,000).

Adjusted EBITDA of £3,773,000 (52 weeks ended 31 January 2021 – (£2,869,000)) is calculated as EBITDA adjusted to add back exceptional costs for management reporting of £2,620,000 (52 weeks ended 31 January 2021 – £3,965,000). These relate to non-trading expenses which are one-off in nature, and are therefore excluded from underlying trading performance for the purposes of management reporting. These include costs associated with the AIM listing & creation of Unbound Group PLC, refinancing costs, legal fees relating to the ongoing business interruption insurance claim and management charges incurred.

As noted above, the directors are satisfied with the strategic progress made during the year. This includes progress with actions that will improve working capital, inventory turn and cash management.

Strategic report (continued)

Principal risks and uncertainties

The directors have identified the principal risks and uncertainties as being:

UK and US Consumer and Retail Trading environment

The Company sells the majority of its product through online and traditional direct marketing to consumers in the UK and US. It also sells product through a UK retail estate. The Company is therefore exposed to market conditions and fluctuations in these markets. The Directors have taken and continue to take actions to focus and manage the Company's activities to increase resilience and flexibility to cope with such fluctuations and longer-term structural changes.

Financing risk

The prevalent conditions in the markets in which the Company operates also impact on financing risk through the appetite of banks to provide facilities to businesses in our markets and the appetite of credit insurers to provide coverage to suppliers. The Board and the Board of Electra Private Equity PLC continue to monitor these risks and act accordingly.

Foreign exchange risk

The Company buys goods in currencies other than sterling. As a result, the value of the Company's non-sterling purchases and financial liabilities can be affected by movements in exchange rates.

Foreign exchange risk is mitigated through natural hedging as a result of trading in the USA and by agreeing a sterling exchange rate with a number of foreign suppliers a season in advance.

Liquidity risk

The Company manages liquidity risk by closely monitoring and forecasting cash generation from operations and ensuring that cash outflows do not exceed cash inflows to the point where a cash deficit is realised. The Company also manages liquidity risk via loans provided by other group members.

Credit risk

The Company's credit risk is solely related to sales to independent retailers, before undertaking business with these customers the Company performs a full credit rating and a credit control department constantly monitors the position of the sales ledger. The directors have assessed the recoverability of the year end trade debtors and have made provision where deemed necessary, the balance net of the provision is deemed to be fully recoverable.

Industry risks

The directors have assessed the main risk facing the Company as the continued intense competition of the footwear market in the main trading geographies. The directors mitigate this risk by continuing to develop the footwear collection, with new and improved designs, and by maintaining the Hotter brand and product unique selling points of: Comfort, quality, fit and great customer service.

The strategic report was approved by order of the Board on 26th May 2022.

D M Lampard
Director

Directors' report

The directors present their Directors' report and financial statements for the 52 weeks ended 30 January 2022.

As permitted by Section 414 of the Companies Act 2006, information can be found in the strategic report on pages 2 to 4 and form part of this report by cross reference. These matters relate to principle activities and risks and uncertainties.

Dividends

The directors do not recommend a final dividend (2021 - £nil).

Directors

The directors who served the company during the period, and subsequently, were as follows:

I A Watson
A B Griggs (resigned 31 July 2021)
G M Manson (appointed 31 July 2021; resigned 26 August 2021)
D M Lampard (appointed 26 August 2021)

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

SECTION 172 COMPANIES ACT REPORT

The Board of Directors confirms that during the year under review, it has acted to promote the long-term success of the Company for the benefit of shareholders, whilst having due regard to the matters set out in section 172(1) (a) to (f) of the Companies Act 2006, being:

- The likely consequences of any decision in the long term.
- The interests of the Company's employees.
- The need to foster the Company's business relationships with suppliers, customers and others.
- The impact of the Company's operations on the community and the environment.
- The desirability of the Company maintaining a reputation for high standards of business conduct.
- The need to act fairly as between members of the Company.

Each of the Directors is mindful of their duties under section 172 (s172) to run the Company for the benefit of its shareholders, and in doing so, to take into account the long-term impact of any decisions on stakeholder relationships and the impact of its activities on its reputation for high standards of business conduct.

Whilst the Board of Directors regularly meets on a formal basis, it is their normal working practice to also discuss key issues and decisions on a more informal basis as and when the need arises. This is key to ensuring that the Company's shareholder's views are fully considered.

Our Customers
Delivering our business strategy requires strong mutually beneficial relationships with customers. The Board receives regular reporting on customer outcomes and customer related strategic initiatives throughout the year. The Board closely monitors customer metrics and engages with the Management team to understand the issues if our performance does not meet our customers' expectations. The board continues to monitor and review changes to our infrastructure which will allow us to simplify and support service delivery to our customers.

Directors' report (continued)

Our Suppliers
The Directors maintain oversight of the management of our most important suppliers and regularly review their performance. Our established supplier standards set out ways of working and the high standards we expect of our suppliers.

Our Employees
Following the Covid-19 pandemic, the directors have been particularly mindful of the welfare of Beaconsfield Footwear Limited's employees. Every effort to provide a safe working environment has been made, regardless of cost.

Results and performance in the reporting period

	52 weeks ended 30 January 2022	*52 weeks ended 31 January 2021*
	£000	*£000*
Turnover	51,809	44,485
Operating (loss)/profit	(1,230)	(9,245)
EBITDA	1,153	(6,834)
Adjusted EBITDA	3,773	(2,869)
Cash	3,601	4,321
Net assets/(liabilities)	(4,521)	(8,233)

During the period ended 31 January 2021, the business generated revenues of £51.8m, operating loss of £1.2m (which compares with a loss of £9.2m in the prior period), and adjusted EBITDA of (3.8m) (compared to loss of £2.9m in the prior period).

The results of the prior period were significantly impacted by the coronavirus pandemic and the CVA and the results for the current period continued to be impacted by the coronavirus pandemic but management's refocussing on the direct to customer channels brought benefits as revenue grew significantly across that channel.

During the period other income was received in the form of CJRS payments from the government of £0.8m (52 weeks ended 31 January 2021 - £2.8m), rates relief and other support grants of £0.4m (52 weeks ended 31 January 2021 - £0.4m) and a business interruption insurance claim £nil (52 weeks ended 31 January 2021 - £2.5m).

During the period the Galaxy Topco group agreed a refinancing with its lenders as a result of which Beaconsfield Footwear Limited has become the direct borrower of the bank loans rather than being a guarantor of its parent's bank loans. The banking facility originally entered into in January 2014 and subsequently amended in February 2019 and November 2020 was amended and extended on 10 December 2021 the main terms of which were as follows:

- The principal outstanding was reduced from £17.1m to £12.1m following the injection of equity of £5m into the Galaxy Topco Group by Electra Private Equity PLC which was used to pay down the bank loans,
- The loan was novated from Galaxy Bidco Limited to Beaconsfield Footwear Limited,
- The loan is due for repayment as follows:
    - £1 million each six months commencing 31 July 2022,

With the remaining balance being repayable in full on 31 December 2024.

Directors' report (continued)

Events after the reporting period

On 1st February 2022 Electra Private Equity PLC completed the process of changing its listing status to AIM and its name to Unbound Group PLC at which point it became the holding company for the Unbound Group of which the Company forms the major element of the group's initial trading activities.

Going concern

Since the year end Beaconsfield Footwear Limited has become the main trading company of the Unbound Group. During the year, Beaconsfield Footwear Limited has become the primary borrower under the facility agreement through the loans being novated to it on 10 December 2021. As part of the amendment to the facility the loan outstanding was reduced by £5million following an equity injection by Unbound Group PLC, the controlling entity of the group.

For the purposes of assessing the appropriateness of preparing the Company's accounts on a going concern basis, the Directors have considered the Company's current cash position, available banking facilities, and the base financial forecasts through to January 2024, including the ability to adhere to bank covenants. Given the inherent uncertainties around forecasts the Directors have also considered a reasonable downside scenario and are satisfied that the Company will be able to comply with the covenants associated with the Banking facilities in that downside case.

The Directors believe that the Company has adequate resources to continue to trade for the foreseeable future and that the accounts should be prepared on a going concern basis.

Disabled employees

The Company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Employee involvement

During the period, the policy of providing employees with information about the Company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the Company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

Charitable donations

During the year, the Company made charitable donations of £40,000 (2021: £38,000) as part of an association with Marie Curie.

Political donations

No political donations were made in the year (2021: £nil).

Directors' report (continued)

Streamlined Energy and Carbon Reporting

The SECR disclosure presents our carbon footprint across Scope 1, 2 & 3 emissions, an appropriate intensity metric, the total use of electricity, gas and transport fuel and a summary of energy efficiency actions taken during the relevant financial year.

GHG emissions and Energy used for data period 01 February 2021 to 30 January 2022.

Methodology

The chosen intensity measure is total gross emissions in metric tonnes CO_2e per million turnover.

The below emissions disclosures have been prepared in accordance with the provisions of the 'GHG Reporting Protocol – Corporate Standard' and HM Government 'Environmental Reporting Guidelines including streamlined energy and carbon reporting guidance' issued March 2019.

'UK Government GHG Conversion Factors for Company Reporting: 2021' and 'Energy Prices Road Fuels and Other Petroleum Products, Weekly Road Fuel Prices 2021' have been utilised for providing the relevant conversion factors required.

		52 weeks ended 30 January 2022	52 weeks ended 31 January 2021
Aggregate energy consumption due to combustion of gas, consumption of fuel and purchase of electricity	Total Energy kWh	3,964,841	4,062,519
Emissions from combustion of Gas	Scope 1 tCO_2e	295	271
Emissions from combustion of fuel for transport purposes	Scope 1 tCO_2e	14	45
Emissions from business travel in rental cars or employee-owned vehicles if company is responsible for purchasing the fuel	Scope 3 tCO_2e	13	9
Emissions from purchased Electricity (location based)	Scope 2 tCO_2e	476	551
Total gross tCO_2e based on above	Scope 1 + 2 + 3 tCO_2e	798	876
Intensity ratio: Gross tCO_2e / £m Turnover	tCO_2e / £m	15.4	19.7

Energy efficiency actions taken during the year

During the year the company started to upgrade the existing factory lighting to LED equivalents and installation of PIR sensors within the offices to ensure lights are switched off when not occupied.

Directors' report (continued)

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors, each director has taken all the steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

In accordance with s.485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of RSM UK Audit LLP as auditor of the Company.

Approved by order of the Board and signed on behalf of the Board on 26th May 2022 by

D M Lampard
Director

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the members of Beaconsfield Footwear Limited

Opinion

We have audited the financial statements of Beaconsfield Footwear Limited (the 'company') for the period ended 30 January 2022 which comprise the statement of profit or loss and total comprehensive income, statement of financial position, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the company's affairs as at 30 January 2022 and of the company's loss for the period then ended;
- the company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements 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.

Independent auditors' report (continued)

to the members of Beaconsfield Footwear Limited

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.

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 year 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 their 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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company 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 10, 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 company or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report (continued)

to the members of Beaconsfield Footwear Limited

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.

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, tax compliance regulations, and the use of the government grants. 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 internal/external tax and legal advisors.

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 performing a revenue to cash reconciliation, testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

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 auditors' report (continued)

to the members of Beaconsfield Footwear Limited

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.

Alastair Nuttall

ALASTAIR JOHN RICHARD NUTTALL (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

3 Hardman Street

Manchester

M3 3HF

26 May 2022

Income statement

for the 52 weeks ended 30 January 2022

	Notes	52 weeks ended 30 January 2022 £000	52 weeks ended 31 January 2021 £000
Turnover	2	51,809	44,485
Cost of sales		(19,759)	(21,276)
Gross Profit		32,050	23,209
Distribution costs		(2,858)	(2,312)
Administrative expenses		(30,422)	(30,142)
Operating Profit/(Loss)	3	(1,230)	(9,245)
Impairment of amounts owed by group undertakings	11	-	(2,176)
Profit/(loss) on disposal of fixed assets		15	7
Interest payable and similar charges	5	(73)	(23)
(Loss) on ordinary activities before taxation		(1,288)	(11,437)
Tax on (loss) on ordinary activities	6	661	2,564
(Loss) for the financial period		(627)	(8,873)

All amounts relate to continuing activities.

The notes on pages 18 to 38 form part of these financial statements.

Statement of comprehensive income

for the 52 weeks ended 30 January 2022

	52 weeks ended 30 January 2022 £000	*52 weeks ended 31 January 2021 £000*
(Loss) for the financial period	(1,288)	(8,873)
Total other comprehensive (loss)/income	-	-
Total comprehensive (loss) for the period	(1,288)	(8,873)

Statement of changes in equity

for the 52 weeks ended 30 January 2022

	Called up share capital £000	*Profit and loss account £000*	*Total equity £000*
At 2 February 2020	42	598	640
(Loss) for the period	-	(8,873)	(8,873)
At 31 January 2021	42	(8,275)	(8,233)
(Loss) for the period		(1,288)	(1,288)
Share issue	5,000		5,000
At 30 January 2022	5,042	(9,563)	(4,521)

The notes on pages 18 to 38 form part of these financial statements.

Statement of financial position

at 30 January 2022

	Notes	30 January 2022 £000	31 January 2021 £000
Fixed assets			
Tangible assets	7	2,665	3,234
Intangible assets	8	4,070	4,133
Investments	9	-	-
		6,735	7,367
Current assets			
Stocks	10	4,840	5,660
Debtors: amounts due in less than one year	11	25,589	5,822
Cash at bank and in hand		3,601	4,321
		34,030	15,803
Creditors: amounts falling due within one year	12	(33,544)	(30,422)
Net current (liabilities)		486	(14,619)
Total assets less current liabilities		7,221	(7,252)
Creditors: amounts falling due after more than one year	13	(10,100)	-
Provisions for liabilities	16	(981)	(981)
Net assets/(liabilities)		(3,860)	(8,233)
Capital and reserves			
Called up share capital	17	5,042	42
Profit and loss account		(8,902)	(8,275)
Shareholders' funds		(3,860)	(8,233)

The notes on pages 19 to 38 form part of these financial statements.

These financial statements were approved for issue by the Board of Directors and were signed on its behalf by:

D M Lampard

Director

26th May 2022

Notes to the financial statements

for the period ended 30 January 2022

1. Accounting policies

Statement of compliance

Beaconsfield Footwear Limited is a private company limited by shares incorporated and domiciled in England and Wales. The Registered Office is 2 Peel Road, West Pimbo, Skelmersdale, Lancashire, WN8 9PT.

The Company's financial statements have been prepared in compliance with FRS 102 for the period ended 30 January 2022.

Basis of preparation and change in accounting policy

The financial statements of Beaconsfield Footwear Limited were approved for issue by the Board of Directors on 26th May 2022. The financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest £'000.

During the year the company's parent undertaking changed from Galaxy Topco Limited to Unbound Holdco Limited, as such the company's financial results have been included in the consolidated financial statements of both of these entities, with 10 and a half months in Galaxy Topco Limited and 1 and a half months in Unbound Holdco Limited. The consolidated financial statements of Galaxy Topco Limited and Unbound Holdco Limited are available to the public and may be obtained from 2 Peel Road, West Pimbo, Skelmersdale, Lancashire, WN8 9PT. In these financial statements, the company is 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:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

The financial statements for the period ended 30 January 2022 have been prepared on a 52 week basis.

Group financial statements

The company has taken the exemptions under FRS 102 not to prepare group financial statements as it is included within the financial statements of a parent undertaking.

These financial statements present information about the company as an individual undertaking and not about its group.

Going concern

Since the year end Beaconsfield Footwear Limited has become the main trading company of the Unbound Group. During the year, Beaconsfield Footwear Limited has become the primary borrower under the facility agreement through the loans being novated to it on 10 December 2021. As part of the amendment to the facility the loan outstanding was reduced by £5million following an equity injection by Unbound Group PLC, the controlling entity of the group.

For the purposes of assessing the appropriateness of preparing the Company's accounts on a going concern basis, the Directors have considered the Company's current cash position, available banking facilities, and the base financial forecasts through to January 2024, including the ability to adhere to bank covenants. Given the inherent uncertainties around forecasts the Directors have also considered a reasonable downside scenario and are satisfied that the Company will be able to comply with the covenants associated with the Banking facilities in that downside case.

The Directors believe that the Company has adequate resources to continue to trade for at least 12 months from the date of signing of these financial statements and that the accounts should be prepared on a going concern basis.

Notes to the financial statements

for the period ended 30 January 2022

1. Accounting policies (continued)

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the year-end date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Impairment of non-financial assets

The Company assesses at each reporting date whether an asset may be impaired. Where there are indicators of impairment of individual assets, the Company performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

Taxation

The Company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions are based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Management estimation is required to determine the amount of deferred tax assets that can be recognised and whether they should be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 6.

Provisions

The Company establishes provisions relating to dilapidations on the exit of its retail stores. This requires the Company to determine an estimated value of the likely cost of dilapidations for the entirety of its retail estate. The effect of the time value of money is not material and therefore the provisions are not discounted.

Significant Accounting Policies

Intangible assets

Intangible assets acquired separately from a business are capitalised at cost. Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against profits in the year in which it is incurred.

Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment. Intangible assets are amortised on a straight-line basis over their estimated useful life. The carrying value of intangible assets is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

The useful economic lives of intangible assets are as follows:

Technology Assets – 25 to 33.3% straight-line

If there are indicators that the residual value or useful life of an intangible asset has changed since the most recent annual reporting period previous estimates shall be reviewed and, if current expectations differ the residual value, amortisation method or useful life shall be amended. Changes in the expected useful life or the expected pattern of consumption of benefit shall be accounted for as a change in accounting estimate.

Notes to the financial statements

for the period ended 30 January 2022

1. Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Leasehold land and buildings – over the shorter of the lease term and 20 years

Plant and machinery, and fixtures and fittings – 10 to 33.3% straight-line

Motor vehicles – 25% straight line

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Revenue recognition

Revenue is recognised to the extent that the Company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Investments

Investments in subsidiaries are accounted for at cost less impairment.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

- Raw materials, consumables and goods for resale – purchase cost on a first-in, first-out basis
- Work in progress and finished goods – cost of direct materials and labour plus attributable overheads based on a normal level of activity

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Where the net realisable value is deemed to be lower than cost a stock provision is recognised.

Research and development

Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual project is capitalised as an intangible asset when the company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development.

Provisions for liabilities

A provision is recognised when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions for the expected costs of maintenance under guarantees are charged against profits when a legal or constructive obligation arises. The effect of the time value of money is not material and therefore the provisions are not discounted.

Notes to the financial statements

for the period ended 30 January 2022

1. Accounting policies (continued)

Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the year-end date.

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that 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, except that:

- where there are differences between amounts that can be deducted for tax for assets (other than goodwill) and liabilities compared with the amounts that are recognised for those assets and liabilities in a business combination a deferred tax liability/(asset) shall be recognised. The amount attributed to goodwill is adjusted by the amount of the deferred tax recognised; and
- unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the year-end date.

Foreign currencies

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the year-end date. All differences are taken to the income statement.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

In relation to debtors, where the full amount receivable is not deemed wholly recoverable a provision for doubtful debts is recognised. Factors considered are the age of the debt, the size of the debt and any information in the public domain relating to the debtor.

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the Company, and hire purchase contracts are capitalised in the statement of financial position and are depreciated over the shorter of the lease term and the asset's useful lives. A corresponding liability is recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments in the statement of financial position. Lease payments are apportioned between the reduction of the lease liability and finance charges in the income statement so as to achieve a constant rate of interest on the remaining balance of the liability.

Rentals payable under operating leases are charged in the income statement on a straight line basis over the lease term. Lease incentives are recognised over the lease term on a straight line basis.

Notes to the financial statements

for the period ended 30 January 2022

1. Accounting policies (continued)

Interest-bearing loans and borrowings

All interest-bearing loans and borrowings which are basic financial instruments are initially recognised at the present value of cash payable to the bank (including interest). After initial recognition they are measured at amortised cost using the effective interest rate method, less impairment. The effective interest rate amortisation is included as a finance expense in the income statement.

Government Grants

The Company recognises government grants at fair value when there is a reasonable assurance that the entity will comply with the conditions attached to them and that the grant will be received. Government grants are recognised in the income statement on a systematic basis over the period in which the Company recognises as expense the related costs for which the grants are intended to compensate. A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs shall be recognised in the income statement of the period in which it becomes receivable. Government grants are shown within administrative expenses in the income statement.

Pensions

The Company operates a defined contribution pension scheme. Contributions are charged to the income statement as they become payable in accordance with the rules of the scheme.

Classification of shares as debt or equity

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Accordingly, a financial instrument is treated as equity if:

(i) there is no contractual obligation to deliver cash or other financial assets or to exchange financial assets or liabilities on terms that may be unfavourable; and

(ii) the instrument is a non-derivative that contains no contractual obligations to deliver a variable number of shares or is a derivative that will be settled only by the Company exchanging a fixed amount of cash or other assets for a fixed number of the Company's own equity instruments.

When shares are issued, any component that creates a financial liability of the company is presented as a liability in the statement of financial position; measured initially at fair value net of transaction costs and thereafter at amortised cost until extinguished on conversion or redemption. The corresponding dividends relating to the liability component are charged as interest expense in the income statement. The initial fair value of the liability component is determined using a market rate for an equivalent liability without a conversion feature.

The remainder of the proceeds on issue is allocated to the equity component and included in shareholders' equity, net of transaction costs. The carrying amount of the equity component is not re-measured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the shares based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

Notes to the financial statements

for the period ended 30 January 2022

2. Turnover

Turnover represents the amounts derived from the provision of goods which fall within the Company's ordinary activities, stated net of value added tax.

The Company operates in one principal area of activity, that of the manufacture and sale of footwear and accessories.

The Company operates within two geographical markets, the United Kingdom and the Rest of the world.

Turnover represents amounts invoiced to third parties and is attributable to one continuing activity: the sale of footwear and accessories.

An analysis of turnover by geographical market is given below:

	52 weeks ended 30 January 2022	*52 weeks ended 31 January 2021*
	£000	*£000*
United Kingdom	45,763	38,450
Rest of World	6,046	6,035
	51,809	44,485

An analysis of turnover by channel is given below:

	52 weeks ended 30 January 2022	*52 weeks ended 31 January 2021*
	£000	*£000*
Direct to consumer	47,800	40,695
Wholesale	4,009	3,790
	51,809	44,485

Notes to the financial statements

for the period ended 30 January 2022

3. Operating (loss)/profit

This is stated after charging:

	52 weeks ended 30 January 2022	*52 weeks ended 31 January 2021*
	£000	*£000*
Depreciation:		
– of owned tangible fixed assets	1,193	1,587
– of tangible fixed assets held under hire purchase	10	52
Total depreciation charge	1,203	1,639
Amortisation:		
– of owned intangible assets	1,165	765
Operating lease rentals		
– land and buildings	1,626	2,784
– plant and machinery	-	-
Auditors' remuneration:		
Audit of the company's financial statements	170	89
Total audit	170	89
Fees payable to the company's auditor and its associates for other services		
– tax compliance	20	27
– other	6	10
Total non-audit services	26	37

Notes to the financial statements

for the period ended 30 January 2022

4. Staff costs

a) Staff costs

	52 weeks ended 30 January 2022	*52 weeks ended 31 January 2021*
	£000	*£000*
Wages and salaries	10,847	12,210
Social security costs	745	948
Other pension costs	388	532
	11,980	13,690

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

	No.	*No.*
Production and management	212	235
Sales and distribution	276	492
	488	727

The company contributed into a number of personal and group defined contribution schemes for the benefit of employees. The total contributions paid in the period amounted to £388,000 (52 weeks ended 31 January 2021 – £532,000). At 30 January 2022, there were unpaid contributions of £66,000 (52 weeks ended 31 January 2021 – £184,000).

b) Directors' remuneration

	52 weeks ended 30 January 2022	*52 weeks ended 31 January 2021*
	£000	*£000*
Aggregate remuneration in respect of qualifying services	888	650
Value of company pension contributions to defined contribution schemes	42	39

Included in the above are amounts relating to payments in lieu of notice of £92,500 (2021: £31,000) and for the loss of office £119,000 (2021: £55,100).

Notes to the financial statements

for the period ended 30 January 2022

4. Staff costs (continued)

Remuneration of the highest paid director:

	Period ended 30 January 2022	*Period ended 31 January 2021*
	£000	*£000*
Aggregate remuneration	427	349
Value of company pension contributions to defined contribution schemes	23	21

During the period 3 (2021: 2) directors accrued benefits under personal pension schemes.

5. Interest payable and similar charges

	52 weeks ended 30 January 2022	*52 weeks ended 31 January 2021*
	£000	*£000*
Hire purchase and finance lease charges	4	7
Other interest payable	69	16
	73	23

Notes to the financial statements

for the period ended 30 January 2022

6. Tax

(a) Tax on (loss) on ordinary activities

The tax (credit) is made up as follows:

	52 weeks ended 30 January 2022	*52 weeks ended 31 January 2021*
	£000	*£000*
Current tax:		
UK corporation tax at 19% *(2021 – 19.00%)*	-	-
Adjustments in respect of prior periods	-	(582)
Total current tax	-	(582)
Deferred tax:		
Origination and reversal of timing differences	352	(1,619)
Adjustment in respect of prior periods	4	(194)
Effect of tax rate change on opening balance	(1,017)	(169)
Deferred tax (note 6(d))	(661)	(1,982)
Tax on (loss) on ordinary activities (note 6(b))	(661)	(2,564)

Notes to the financial statements

for the period ended 30 January 2022

6. Tax (continued)

(b) Factors affecting the total tax (credit)

The tax assessed for the period differs from the standard rate of corporation tax in the UK of 19% (2021 – 19%). The differences are reconciled below:

	52 weeks ended 30 January 2022	*52 weeks ended 31 January 2021*
	£000	*£000*
(Loss) on ordinary activities before tax	(1,288)	(11,437)

	52 weeks ended 30 January 2022	*52 weeks ended 31 January 2021*
	£000	*£000*
(Loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 – 19.00%)	(245)	(2,173)
Fixed asset differences	6	90
Expenses not deductible for tax purposes	139	538
Income not taxable for tax purposes	-	(296)
Losses carried back	-	64
Transfer pricing adjustments	368	158
Group relief claimed	-	-
Adjustments to tax charge in respect of previous periods	-	(582)
Adjustments to tax charge in respect of previous periods – deferred tax	4	(194)
Remeasurement of deferred tax for changes in tax rates	(933)	(169)
Total tax expense (note 6(a))	(661)	(2,564)

(c) Factors that may affect future tax charges

At Budget 2020, the government announced that the Corporation Tax main rate for the years starting 1 April 2020 and 2021 would remain at 19%.

Deferred tax as at 30 January 2022 has been calculated at 25% (2021: 19%), being the enacted rate at which the deferred tax is expected to reverse.

Notes to the financial statements

for the period ended 30 January 2022

6. Tax (continued)

(d) Deferred tax

The deferred tax included in the statement of financial position as follows:

	52 weeks ended 30 January 2022	*52 weeks ended 31 January 2021*
	£000	*£000*
Included in debtors (note 11)	3,887	3,226

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

Fixed asset timing differences	1,891	1,271
Short term timing differences	459	152
Losses and other deductions	1,537	1,803
	3,887	3,226

	£000
At 31 January 2021	3,226
Deferred tax charge to income statement for the period	661
At 30 January 2022	3,887

Notes to the financial statements

for the period ended 30 January 2022

7. Tangible fixed assets

	Fixtures and fittings £000	*Motor vehicles £000*	*Plant and machinery £000*	*Total £000*
Cost or valuation:				
At 31 January 2021	6,200	189	8,889	15,278
Additions	206	-	232	438
Disposals	-	(89)	-	(89)
At 30 January 2022	6,406	100	9,121	15,627
Depreciation and impairment:				
At 31 January 2021	4,342	169	7,533	12,044
Charge for the period	684	10	509	1,203
Disposals	-	(81)	-	(81)
At 30 January 2022	5,026	98	8,042	13,166
Carrying amount				
At 30 January 2022	1,380	2	1,079	2,461
At 31 January 2021	1,858	20	1,356	3,234

Included in the amounts for motor vehicles above are the following amounts relating to leased assets and assets acquired under hire purchase contracts:

	Total £000
Cost or valuation:	
At 31 January 2021	189
Additions	-
Disposals	(89)
At 30 January 2022	100
Depreciation and Impairment:	
At 31 January 2021	169
Charge for the period	10
Disposals	(81)
At 30 January 2022	98
Carrying amount	
At 30 January 2022	2
At 31 January 2021	20

Notes to the financial statements

for the period ended 30 January 2022

8. Intangible assets

	Technology assets *£000*	*Total* *£000*
Cost or valuation:		
At 31 January 2021	6,413	6,413
Additions	1,129	1,129
Disposals	(27)	(27)
At 30 January 2022	7,515	7,515
Amortisation and impairment:		
At 31 January 2021	2,280	2,280
Charge for the period	1,165	1,165
Disposals		
At 30 January 2022	3,445	3,445
Carrying amount		
At 30 January 2022	4,070	4,070
At 31 January 2021	4,133	4,133

9. Investments

Company	*Subsidiary undertakings* *£000*
At 30 January 2022 and 31 January 2021	-

Principal fixed asset investments:

Name	*Class of share*	*Proportion held*	*Country of incorporation*	*Nature of business*
Comfort Concept Limited	Ordinary	100%	UK	Dormant

The registered office address of the investment is 2 Peel Road, West Pimbo, Skelmersdale, Lancashire, WN8 9PT.

The company's voting rights in respect of the investments are held in the same proportion as the company's share of the ordinary share capital of each company.

Notes to the financial statements

for the period ended 30 January 2022

10. Stocks

	30 January 2022 £000	31 January 2021 £000
Raw materials	1,086	1,158
Work in progress	-	-
Finished goods	3,753	4,502
	4,840	5,660

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Finished goods includes a provision for obsolete stock of £50,604 (2021 - £216,000).

11. Debtors

	30 January 2022 £000	31 January 2021 £000
Trade debtors	762	1,393
Amounts owed by group undertakings	20,030	-
Other debtors	112	436
Prepayments	752	666
Corporation tax	46	101
Deferred tax (note 6(d))	3,887	3,226
	25,589	5,822

Amounts owed by group undertakings includes an impairment of £34,929,000 (2021 - £34,929,000), this represents a write down of the asset to its recoverable amount.

Trade debtors includes a bad debt provision of £5,947 (2021: £75,000)

Notes to the financial statements

for the period ended 30 January 2022

12. Creditors: amounts falling due within one year

	30 January 2022	*31 January 2021*
	£000	*£000*
Obligations under hire purchase contracts (note 14)	-	4
Trade creditors	5,476	4,609
Amounts owed to group undertakings	19,778	19,778
Bank loans (note 15)	2,000	-
Interest payable	186	-
Other taxes and social security costs	2,347	731
Other creditors	918	702
Accruals	2,839	4,598
	33,544	30,422

Whilst the directors have received confirmation from the directors of the relevant group company that the intercompany creditor will not be called for repayment within 1 year, there are no formal repayment terms and as such, it has been classified as due within one year.

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

	30 January 2022	*31 January 2021*
	£000	*£000*
Bank loans (note 15)	10,100	-
	10,100	-

Notes to the financial statements

for the period ended 30 January 2022

14. Obligations under leases and hire purchase contracts

The company uses finance leases and hire purchase contracts to acquire motor vehicles. These leascs have terms of renewal but no purchase options and escalation clauses. Renewals are at the option of the lessee. Future minimum lease payments due under finance leases and hire purchase contracts:

	30 January 2022	*31 January 2021*
	£000	*£000*
Amounts payable:		
Within one year	-	4
In two to five years	-	-
	-	4
Less: finance charges allocated to future periods	-	-
	-	4

Hire purchase contracts are secured on the assets concerned.

Future minimum rentals payable under non-cancellable operating leases, exclusively relating to Property, are as follows:

	30 January 2022	*31 January 2021*
	£000	*£000*
Within one year	1,993	1,913
In one to five years	4,671	5,085
Over five years	2,647	2,474
	9,311	9,472

Expiry date is taken to be the earlier of the lease expiry date and the date of break clause (if applicable) contained within the lease. The average length of lease remaining at the 30 January 2022 was 2.8 years (2021 – 3.1 years).

The payments relating to operating leases are recognised as an expense in the period that they occur.

Notes to the financial statements

for the period ended 30 January 2022

15. Loans

Loans repayable, included within creditors, are analysed as follows:

	30 January 2022	*31 January 2021*
	£000	*£000*
Bank Loans repayable within one year	2,000	2,000
Bank Loans repayable within one to two years	10,100	17,100
	12,100	19,100

Details of loans wholly repayable within five years are as follows:

	30 January 2022	*31 January 2021*
	£000	*£000*
Loan B	12,100	19,100
	12,100	19,100

The senior bank debt totalling £12,100,000 is secured over all the assets of Beaconsfield Footwear Limited.

During December 2021, the ultimate parent company of Beaconsfield Footwear Limited, Galaxy Topco Limited, agreed a refinancing with its lenders as a result of which Beaconsfield Footwear Limited has become the direct borrower of the bank loans rather than being a guarantor of its parent's bank loans. The banking facility originally entered into in January 2014 and subsequently amended in February 2019 and November 2020 was amended and extended on 10 December 2021 the main terms of which were as follows:

- The principal outstanding was reduced from £17.1 million to £12.1 million following the injection of equity of £5 million into the Galaxy Topco Group by Electra Private Equity PLC which was used to pay down the bank loans;
- The loan was novated from Galaxy Bidco Limited to Beaconsfield Footwear Limited
- The loan is due for repayment as follows:
    - £1 million each six months commencing 31 July 2022;
    - With the remaining balance being repayable in full on 31 December 2024

Notes to the financial statements

for the period ended 30 January 2022

16. Provisions for liabilities

	Provisions	*Total*
	£000	*£000*
At 31 January 2021	981	981
Increase during the year	-	-
Written off during the year	-	-
At 30 January 2022	981	981

Provisions are recognised for:

- Provision for dilapidation on leases; £563,000 (2021: 563,000)

  This represents the obligation under lease for dilapidations arising on the exiting of retail stores, where the average length of lease remaining at 30 January 2022 was 2.8 years (2021 – 3.1 years)

- Other provisions; £418,000 (2021: 418,000)

17. Financial instruments

	30 January 2022	*31 January 2021*
	£000	*£000*
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	763	1,393
Amounts owed by group undertakings	20,030	-
Financial liabilities measured at amortised cost		
Obligations under hire purchase contracts (Note 14)	-	4
Trade creditors	5,476	4,609
Amounts owed to group undertakings	19,778	19,778

18. Share capital

		30 January 2022		*31 January 2021*
Authorised, allotted, called up and fully paid	*No.*	*£000*	*No.*	*£000*
Ordinary shares of £1 each	5,042,000	5,042	42,000	42

Notes to the financial statements

for the period ended 30 January 2022

19. Reserves

	30 January 2022	*31 January 2021*
	£000	*£000*
Profit and loss account	(9,563)	(8,275)
	(9,563)	(8,275)

The profit and loss reserve comprises cumulative profits and losses, net of distributions to owners.

20. Other arrangements

The Company enters into operating lease arrangements for the hire of buildings as these arrangements are a cost efficient way of obtaining the short-term benefits of these assets. The Company lease rental expense for the year is disclosed in Note 3 and the total future company commitments under these arrangements are disclosed in Note 14. There are no other material arrangements that are not disclosed within the financial statements of the company.

21. Related party transactions

The Company has taken advantage of the exemption conferred under FRS102 in respect of disclosure of transactions with other wholly owned members of both the Galaxy Topco Limited Group and Unbound Holdco Limited Group.

During the period, the company paid Electra Private Equity plc £150,000 (31 January 2021: £150,000) for monitoring and advisory services. £296,000 (31 January 2021: £116,000) was owed to Electra Private Equity plc at 30 January 2022, this balance is included within the trade creditors figure within note 12.

22. Ultimate parent undertaking and controlling party

At 30 January 2022, the company was a subsidiary of Hotter Limited.

The entire issued share capital of the company was indirectly owned by Unbound Group plc, the ultimate parent undertaking and controlling party. Unbound Group plc is a company incorporated in Great Britain and registered in England and Wales.

During the year the company's parent undertaking changed from Galaxy Topco Limited to Unbound Holdco Limited, both entities being wholly owned by Unbound Group plc. As such the company's financial results have been included in the consolidated financial statements of both entities, with 10 and a half months in Galaxy Topco Limited and 1 and a half months in Unbound Holdco Limited.

The group financial statements of Galaxy Topco Limited and Unbound Holdco Limited can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

23. Events after the reporting period

On 1st February 2022 Electra Private Equity PLC completed the process of changing its listing status to AIM and its name to Unbound Group PLC at which point it became the holding company for the Unbound Group of which the Company forms the major element of the group's initial trading activities.