

# Ann Summers Ltd

Annual Report

For the 52 week period ended  
25 June 2022

Company registration number: 01034349



Ann Summers Ltd  
Report and Financial Statements  
for the 52 week period ended 25 June 2022

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**Company Information**

<b>Directors: Statutory</b>	J Gold CBE (resigned 16 March 2023) V Gold S M Hollins (appointed 20 April 2022) J Boyle (appointed 20 April 2022)
<b>Directors: Non-Executive</b>	M Gifford
<b>Company number</b>	01034349
<b>Registered office</b>	Gold Group House Godstone Road Whyteleafe Surrey CR3 0GG
<b>Auditors</b>	Haysmacintyre LLP Chartered Accountants & Statutory Auditor 10 Queen Street Place London EC4R 1AG
<b>Bankers</b>	Royal Bank of Scotland NWB Central Corp. Banking Corporate Banking Centre 5-10 Great Tower Street London EC3P 3HX

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## **CEO's Message**

### **Review of the Year Summary**

2022 was a year of two halves for Ann Summers. We started the year strongly and optimistic that after the disruption the pandemic had caused on recent years, this would be the year that we saw a return to normality. With stores open and footfall gradually returning to the High Street, it felt like this would be the case.

However, once again Covid impacted us. The rise of the Omicron variant disrupted the key Christmas trading period in our retail stores as customers sought to protect their family Christmas plans.

Then, in the latter part of the financial year, profitability was hindered by numerous challenges across our supply chain and significant unexpected price increases in freight. This was further exacerbated by the Ukraine/Russia conflict which has resulted in cost increases across key operational areas of the business. Finally, the reinstatement of business rates in April 2022, whilst the right thing to do to support the difficult economic environment, has added further financial burden into the business at a globally challenging time.

Unsurprisingly, these challenges did impact our profitability. Whilst we remained profitable, we did see a decline in the operating profit and report an operating profit before exceptional items of £1.2 million for the 52 weeks ended 25<sup>th</sup> June 2022, compared to £3.5m for 2020/21.

However, it was pleasing to see the business turnover continue to grow year-on-year, which is a continued result of a clearly-defined and well-executed commercial business strategy.

Specifically, we:

- Introduced an extended range of skin tones to better represent the diversity of our customers, as well as continue to create market-leading sex toys with our first patent-pending toy – The U.
- Migrated our customer data platform to improve and enhance our first-party data strategy
- Further enhanced our digital experience, through updated MyAccount features, and the introduction of a customer loyalty programme, Fann Summers, to grow our customer community and conversation
- Introduce Dropship capability to broaden our third-party business with new partners
- Invested in further technology-driven solutions to improve the efficiency of our head office and logistics operation
- Opened new stores and we are actively looking at key new sites for the future.

In summary, whilst global supply chain issues, rising costs, the Russia/Ukraine conflict, inflation at an all-time high, and more recently the US\$ exchange rate have all undoubtedly had an impact on profitability & consumer sentiment, this unprecedented period has also presented us with new strategic opportunities for growth. Our focus for 2022/23 and beyond is therefore to invest in the business to ensure we can maximise these opportunities in the future.

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Finally, it is with great sadness that since the year end, our amazing Executive Chair, Jacqueline, has passed away. In her life Jacqueline was a trailblazer, a visionary and the most incredible woman and as such was an inspiration to so many. We will never forget all that Jacqueline has done for Ann Summers and are all focused on ensuring her legacy lives on.



Susan Maria Hollins  
CEO  
23 August 2023

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### **Business Model**

Ann Summers Ltd's principal activity is the retail and wholesale of lingerie, apparel, adult toys and related accessories.

At the end of the year Ann Summers Ltd had a UK High Street presence through its 82 stores (2021: 81) with a further 3 stores (2021: 3) in Eire through a company under common control, Ann Summers Ireland (Retail) Ltd. The company continues to distribute to its network of direct selling Ambassadors, operates a UK based web channel that serves both UK and International customers, and has a growing wholesale and licensing channel.

### **Future Plans**

The business will continue with its plans to profitably grow the business through:

- (a) acquiring and retaining customers through greater brand reach, desirability and relevance;
- (b) delivering market-leading product;
- (c) delivering outstanding multi-channel customer;
- (d) driving growth through new markets and opportunities;
- (e) realising efficiencies through optimising systems, processes and operations; and
- (f) minimising our impact on the environment through sustainable, ethical and purpose-driven practices.

### **Key Performance Indicators**

The company constantly monitors a number of key performance indicators to ensure optimal business performance and to track the progression of its strategic goals. KPI's include:

*Customer measures:* footfall into stores, internet traffic, sales per visitor

*Product measures:* gross profit margins, stock holding, stock turnover

*People measures:* retention, net promoter scores

*Financial measures:* profitability, cash flow

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### **Business and Financial Review**

As explained in the Chief Executive's report, turnover increased from £93.2 million to £100.1 million during the period ended 25 June 2022.

Within retail, our stores performed strongly, exceeding our expectations. Whilst 2020/21 was impacted by the second and third national lockdowns which required retail stores to close, we have still been very pleased with our retail performance in 2021/22. Retail sales in 2021/22 were up 76% on 2020/21 and up 5.4% like-for-like on 2018/19 (the last financial year not to be impacted by COVID-19). This is despite footfall being significantly below the pre-pandemic levels, down 18%. This was driven by an increase in footfall conversion of 9% and sales per visitor, up 28%, demonstrating that once the customer came into store, they bought into the product offering.

Within internet, 2020/21 benefited from the impact of the COVID-19 national and local lockdowns which required retail stores to close. As a result, sales in 2021/22 decreased by 20% on 2020/21 but were up 51% on 2018/19 (the last financial year not to be impacted by COVID-19) and 15% on 2019/20. Despite a decrease in traffic and conversion rates following the reopening of stores, the company has seen a further increase in average transaction value, up 4% on 2020/21.

Within direct selling, we saw the most significant impact of the COVID-19 pandemic. In 2019/20, following the closure of stores in March 2020, we removed the joining fee for new ambassadors and with a considerable proportion of the UK workforce on furlough, we recruited over 10,000 new ambassadors, finishing the 2019/20 year with an increase in the number of ambassadors of over 300%. In 2020/21, we saw further growth in this channel, with sales up 56%. This was driven by the higher opening number of ambassadors as well as an increase in the average sales per ambassador. However, towards the end of 2020/21 as stores reopened and furlough came to an end for much of the workforce, we saw a decline in the number of ambassadors and sales from this channel such that we finished 2020/21 with 46% fewer ambassadors. This trend continued into 2021/22 with the number of ambassadors declining by 40% and sales declining by 58%.

Wholesale, which remains the company's smallest trading channel, saw 21% growth in 2021/22 compared to 2020/2021. This was driven by a strong performance from existing wholesale partners, who are largely online retailers, as well as the introduction of new partners, demonstrating the increasing awareness and attractiveness of the brand.

### **Gross profit**

Gross profit for the year was £60.0 million compared to £50.9 million in the prior year. The increase is due to the increase in sales explained above as well as an increase in gross margin rate from 54.6% in 2021 to 60.0% in 2022. The increase in rate is explained by the impact of the change in sales mix following the reopening of stores and a return to normality within the business following the COVID-19 pandemic. The retail channel has a higher gross margin than our direct selling business and therefore the reopening of our stores and the decline in our direct selling business over this period positively impacted the gross margin rate.

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**Business and Financial Review (continued)**

Operating expenses and income

Operating expenses of £84.2 million (2021: £52.2 million) were £32.0 million higher than the prior year. This includes some exceptional expenses and credits which are explained below. Excluding the exceptional expenses, operating expenses were £61.2 million (2021: £54.0 million) which was £7.2 million higher than the prior year. The increase in costs has largely been driven by the unwinding of benefits received during the COVID-19 pandemic as well as the reopening and trading of our retail stores for the full year.

During the COVID-19 pandemic, the UK government provided business rates relief for all retailers. From April 2021, this relief was reduced such that business rates were reintroduced with discount available to all retailers of a maximum of £2.0 million. This resulted in an increase in the company's business rates costs of £3.2 million compared to 20/21.

During 2019/20 and 2020/21, the company engaged all of its landlords to make lease terms more competitive, aligned with market costs and sustainable for the company. This resulted in a large proportion of the stores rents moving to monthly turnover rents. As explained above, with stores trading strongly throughout 2021/22 and without the turnover rent savings during periods of national and local lockdowns as a result of COVID-19 in 2020/21, rent and service charges increased by £3.3m in 2021/22 compared to 2020/21.

Also, during COVID-19 pandemic, the UK government operated the coronavirus job retention scheme. During periods of national and local lockdowns, the company furloughed its colleagues in stores paying them 80% of their average earnings, thereby reducing the payroll costs in 2020/21. In addition, during 2021/22, the company saw an increase in the National Living Wage and has invested in certain support functions such as technology to deliver projects that will drive the growth of the business. A combination of all of the above factors has resulted in an increase in staff costs of £2.8 million compared to 2020/21.

Other operating income of £2.4 million (2021: £6.6 million) decreased by £4.3 million on the prior year. This was largely driven by reversal of the impact of the COVID-19 pandemic on 20/21 and a return to normality within the business. There was a decrease of £3.3 million in the value of support grants provided by the government. In addition, the reduction in the sales within the internet and direct selling channels following the reopening of stores resulted in a decrease of £0.9 million in delivery income.

Exceptional expenses

The exceptional expenses charge in the 52 week period ended 25 June 2022 included:

- A charge to the income statement in relation to the sale of a loan due from a fellow group company, Gold Group International Limited. Under the terms of the CVA, the company was periodically required to market the loan. During the 52 weeks ended 25 June 2022, an offer was received to acquire the loan for £5.5m which, under the terms of the CVA, the group had the right to match. As a consequence Gold Group International Limited acquired the loan for £5.5m resulting in a loss on disposal in the 52 weeks ended 25 June 2022.
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**Business and Financial Review (continued)**

Exceptional expenses (continued)

- A credit to the income statement arising from a partial reversal Impairment of tangible fixed assets in relation to store assets. In the 52 weeks ended 27 June 2020, an impairment was recognised for stores where the expected recoverable amount from value in use was less than the net book value. This was largely due to the impact of COVID-19 on the retail sector. Following the CVA, renegotiation of rents and an improvement in the trading performance of retail stores, there has been a partial reversal of the impairment in the 52 weeks ended 25 June 2022.
- A credit to the income statement arising from a release of the onerous lease provision. A provision was recognised at 27 June 2020 for stores that were not expected to generate a positive value in use based on the forecasts and projections available at 27 June 2020. This was largely due to the impact of COVID-19 on the retail sector. Following the CVA , renegotiation of rents, and an improvement in the trading performance of retail stores there has been a release of the remaining provision in the 52 weeks ended 25 June 2022.
- A credit to the income statement arising from a release of the holiday pay accrual recognised at 27 June 2020. This was in relation to the government requirement to allow employees to carry over holiday into the following two years during the COVID-19 pandemic. As at 25 June 2022, employees have utilised their remaining carried over holiday from the COVID-19 pandemic such that there was been a partial release of the accrual in the 52 weeks ended 22 June 2022.

The exceptional expenses credit in the 52 week period ended 26 June 2021 included:

- Impairment of tangible fixed assets in relation to store assets where the expected recoverable amount from value in use is less than the net book value at 26 June 2021. This is largely due to the impact of COVID-19 on the retail sector.
- A credit to the income statement arising from a partial release of the onerous lease provision. A provision was recognised at 27 June 2020 for stores that were not expected to generate a positive value in use based on the forecasts and projections available at 27 June 2020. This was largely due to the impact of COVID-19 on the retail sector. Following the CVA and renegotiation of rents, there has been a partial release of this provision in the 52 weeks ended 26 June 2021.
- A credit to the income statement arising from a partial release of the holiday pay accrual recognised at 27 June 2020. This was in relation to the government requirement to allow employees to carry over holiday into the following two years during the COVID-19 pandemic. As at 26 June 2021, employees have utilised some of their carried over holiday such that there was been a partial release of the accrual in the 52 weeks ended 26 June 2021.



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**Business and Financial Review (continued)**

Interest

Net interest payable for the period was £0.1 million compared to net interest receivable of £1.2 million in the 52 week period ended 26 June 2021. Within this, interest receivable decreased from £1.5m in the 52 week period ended 26 June 2021 to £nil in the 52 week period ended 25 June 2022. The decrease was due to the sale of the intercompany loan explained above which previously generated interest income based on a 5% interest rate. Partially offsetting this, interest payable decreased from £0.3m in the 52 week period ended 26 June 2021 to £0.1m in the 52 week period ended 25 June 2022. This decrease was due to lower average borrowings following the £5.5m of cash received on the sale of the intercompany loan.

Taxation

The company's tax charge for the period was £nil (2021: £1.1 million). The company made a taxable loss for the year, resulting in no corporation tax charge (2021: £nil). The tax charge in 2021 was driven by a decrease in the deferred tax asset from £1.1 million at 27 June 2020 to £nil at 26 June 2021.

Loss for the period

The loss for the period, after taxation, amounted to £21.9 million (2021: a profit of £5.3 million).

Excluding the exceptional expenses outlined above, the profit for the period was £1.0 million (2021: £7.7 million).

Working capital

At 25 June 2022, the company's stock holding was £16.9 million, an increase of £2.4 million from the position at 26 June 2021 of £14.5m. This increase was largely driven by timing and a desire to ensure that new season stock was available given the global freight challenges experienced in the months preceding the year end.

Debtors decreased by £24.9 million to £11.3 million (2021: £36.2 million) at 25 June 2022. The decrease was largely driven by a decrease in the balance due from other group companies, from £32.6 million to less than £0.1 million. This movement is as a result of two factors. Firstly, as explained in Exceptional expenses above, during the year the company sold an intercompany loan of £30.1 million. In addition, following a demerger and group reorganisation, amounts totalling £2.7 million that were previously classified as due from group undertakings now falling outside the group and have been classified within other debtors. There was also an increase in trade debtors from £1.5 million to £1.8 million, due to the sales growth of the wholesale channel as well as an increase of £4.5 million in prepayments because of the reintroduction of business rates in April 2022 following the COVID-19 pandemic.

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**Business and Financial Review (continued)**

Working capital (continued)

Total creditors increased by £2.5 million to £34.4 million (2021: £31.9 million) at 25 June 2022. The decrease of £0.3 million in creditors due within one year was driven by a number of factors. Within trade creditors, we saw an increase of £5.6 million arising from the reintroduction of business rates in April 2022 as well as the earlier intake of stock. This was offset by an decrease of £4.3 million in social security and other taxes as the company repaid all of the Time to Pay arrangements with HMRC entered into during the COVID-19 pandemic to defer tax payments whilst stores were closed due to the national lockdowns. In addition, there was a decrease of £0.9 million in accruals and deferred income, driven largely by the repayment of rent arrears deferred as part of the CVA in December 2020. Other creditors also decreased by £0.5 million driven largely by the partial release of the holiday pay accrual required during the pandemic (see exceptional expenses).

The increase of £2.9 million in creditors due after more than one year was driven by an increase of £3.1 million in the loan from the shareholders of the ultimate parent company. This was partially offset by small decreases in other creditors and amounts owed to group undertakings.

**Principal Risks and Uncertainties**

*Risk Management and Internal Controls*

The Board has ultimate responsibility for risk management and internal control. For principal risks, sub-committees exist, namely Welfare (Health & Safety), Business Continuity, Steering (change governance).

The Board sets policies to manage risk and maintain internal control. These policies are implemented by the relevant internal department, and compliance is monitored by the Business Risk department.

*Payment Card Industry compliance*

The company takes card holder data protection seriously and actively manages this risk with the support of relevant partners and our acquirers. The company has retained its compliant status in the Retail and Web channels.

*Foreign Exchange Risk*

The company's operations expose it to exchange rate risk. This risk is managed by entering into forward contracts for up to 12 months in advance, as deemed appropriate by prevailing economic conditions at that time.

*Liquidity and cash flow*

The directors review the liquidity and cash flow risk of the company on a very regular basis. The directors consider the company have access to sufficient funds for operations.

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**Principal Risks and Uncertainties (continued)**

*Going Concern*

The financial statements have been prepared on a going concern basis having given due consideration to current trading and forward projections that consider the global supply chain issues, rising costs, the Russia/Ukraine conflict, and inflation at an all-time high, all of which will undoubtedly have an impact on profitability and consumer sentiment in the foreseeable future.

The directors have prepared a detailed cash flow forecast for a period of at least twelve months from the date of approval of these financial statements for the company. The directors have also considered a severe but plausible forecast that focuses on the potential impact of a further weakening in consumer spending and broader political and economic uncertainty on the company's trading performance.

The principal assumptions in the severe but plausible forecast include:

- A reduction in retail sales of 7.5% against the base case forecast; and
- A corresponding reduction in variable costs; and
- The benefit of mitigating actions that would be taken including a reduction in stock intake and capital expenditure.

The directors note that the shareholders of the parent company have agreed to provide additional and sufficient funds if required, so that Ann Summers Limited has adequate resources to continue operating and to meet its liabilities as and when they fall due, for the 12 months from the date of signing the accounts. Furthermore they have confirmed that Ann Summers Ltd will not be required to repay the shareholder loan within the next 12 months.

After review of the forecasts for the coming twelve months from the date of signing the financial statements, including the severe but plausible downside scenario and the availability of finance facilities as disclosed above, the directors believe that the company will have sufficient funds in order to meet liabilities as they fall due. Accordingly, the directors believe it is appropriate to prepare the financial statements on a going concern basis.

*The impact of cost of living and inflation on consumer spending*

Rising cost of living and declining real wages for many people will mean less disposable income and reduced demand for non-essential items. This could mean we need to discount stock, which would affect profitability and cash flow.

We carefully monitor daily and weekly sales data and update our trading plans and stock purchases accordingly. Members of the Executive Team review and sign off markdowns or price reductions.

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### **Section 172 Statement**

This section demonstrates how our Directors performed their duties under Section 172 (s172) of the Companies Act 2006. S172 sets out the requirement for the Directors to promote the success of the Company for the benefit of its shareholders, while considering the interests of our other stakeholders and the environment in which we operate.

The board recognises the importance of maintaining strong relationships with our stakeholders in order to create sustainable long-term value and encourages active dialogue and transparency with all its stakeholder groups.

We take time to engage with, and listen to, the views of our stakeholders in order to shape our decision-making and to continue improving the way we do things. We believe this to be essential to running a successful business and encourage honest, open, and transparent communication throughout the business.

When developing our business strategy, the board gives stringent consideration to the financial implications of their decisions, as well as the need to engage with a wide range of stakeholders. To enable this, the board ensures there is sufficient visibility of stakeholder engagement activities in the boardroom to inform decision-making, while always ensuring the need to promote the success of the group for the benefit of its members as a whole.

Our key stakeholder groups are set out below.

#### Our colleagues

We firmly believe that our people are at the very heart of our business. Their hard work and dedication to delivering our purpose and ensuring the successful delivery of our business strategy is incredible. As a family-run business, we take our role as an employer very seriously, and believe that every colleague is part of our Ann Summers family.

We know our colleagues rely on us to provide secure employment as well as opportunities to realise their potential in a working environment where they can be at their best, and as a result we have developed our colleague experience in the following ways this year:

- Through regular and detailed communication, including, a weekly email from the Managing Director that updates on trade, new initiatives, new product launches and colleague achievements. This is supplemented by a quarterly strategic update and engagement event, led by the Board, which provides an update on business performance and progress.
- Launching our first learning experience platform, Thrive, which gives our colleagues endless opportunities to learn, grow and develop. Thrive also provides a space for peer-to-peer learning and communication, and houses colleagues great goals to help manage performance.
- Onboarding an applicant tracking system, Talos, which enables our retail colleagues to recruit their colleagues directly and create talent pools within their area. This also supports a key part of our wider culture and inclusion strategy.

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**Section 172 Statement (continued)**

Our colleagues (continued)

- Defining and delivering our diversity, equality and inclusion strategy, which so far has seen us:
  - deliver regular data capture to monitor our progress
  - launch a whole new suite of inclusive policies to provide enhanced support, increased flexibility, and improved wellbeing
  - Partner with Stonewall as Diversity Champion and Diversity in Retail to provide further expertise and support
  - recruit a new colleague-led strategy team to help us define our longer-term goals around DE&I
- Finally, we have recruited dedicated resource to support colleague wellbeing, DE&I, and engagement to ensure we are creating a best-in-class culture for our colleagues across the Ann Summers business.

Our Customers

We exist to sexually empower every woman. This purpose is at the heart of our decision making, and we relentlessly focus on ensuring we are delivering a brand, product, and customer experience that moves us towards this goal.

To do this it is crucial we understand our customers, who they are, what they need from us, the products they love, and how they want to shop, as well as, exploring how we attract and retain new customers to our business.

Throughout the last year, we have focussed on delivering the following to our customers:

- Market-leading, innovative, and high-quality product at great value. This has involved extending our range into relevant categories including launching greater skin tone ranges across our key lingerie lines, and developing our first ever patent-pending sex toy, The U.
- Improving customer experience across all our channels, which has involved, opening new stores in key locations where we know our customers want to shop, digitally transforming our heritage direct sales channel, launching assisted selling, live chat and immersive online bra fit experiences online, and creating My Account features to make it easier to shop with us.
- Developing our customer data and insight function to help us to continually optimise our customer offering, as well as launching our first community platform, Fann Summers, to increase and reward customer loyalty.
- Delivering technology-enabled freight and logistics efficiencies, ensuring our customers shopping journey and delivery is smooth and continually improving.
- Offering expert advice and content both in-store and online.

The ongoing relationship with our customers is paramount to the success of our business. Seeing underlying sales performance grow year-on-year, as well as monitoring key data around our customer database, community loyalty platform and growth in our social reach, have enabled the Board to review, discuss, and ensure our strategy is delivering both for our business, and our customer.

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**Section 172 Statement (continued)**

Our Suppliers

Our suppliers are crucial partners to Ann Summers. We rely on them to make and distribute our products, provide the real estate through which we sell our products, and provide essential services we need to operate our business. Equally, our suppliers rely on us to generate revenue and employment for them, which is a role we take very seriously.

We work with a wide range of suppliers across the globe, from product manufacturing to support services and many other third-party businesses. It has been vital to us over the past year to really focus our attention on building trusted, long-term strategic partnerships with our suppliers, to not only help us deliver great products and services to our customers, but to support each other through global economic, political, and environmental unrest.

As a result, we have:

- Held a virtual supplier conference to take our product suppliers through our strategy and how we plan to evolve how we work with them. This also helped to ensure our partners understand our business culture, values, ethical standards, and the requirements set out in our supplier manual.
- Onboarded some key new product partners to ensure we are continually developing and delivering market-leading, innovative products for our customers.
- Reviewed, and where required, renegotiated other key supplier contracts to ensure we balance the benefits of maintaining strong partnerships alongside the need to obtain value for money for the business.

The Environment

Understanding our environmental impact forms a critical part of our future business plans. It is an integral pillar to our business strategy and demonstrates passion and commitment to ensure we minimise our environmental impact for our customers, colleagues, suppliers, and shareholders.

The biggest piece of work undertaken in this period was to understand our Scope 3 emissions for a baseline year of FY2020-2021. Working with an expert environmental consultancy, we leveraged our Scope 3 data for the first time to help us understand our total carbon emissions and help us model a decarbonisation roadmap with both near and long-term targets.

This work has helped us to surface the following key information:

- Our total Scope 1 emissions for FY2021 were 211 tCO<sub>2</sub>e
- Our total Scope 2 emissions for FY2021 were 914 tCO<sub>2</sub>e
- Our total Scope 3 emissions for FY2021 were 26,253 tCO<sub>2</sub>e
- Our gross carbon footprint for FY2021 therefore totalled **27,378 tCO<sub>2</sub>e**.

We plan to build on this by annualising our Scope 3 emissions data for all future financial years and will continue to report our data to both internal and external stakeholders. Furthermore, since the period ended, we are now developing and delivering a decarbonisation roadmap of initiatives, focussing on reducing carbon both within scopes 1 and 2, and throughout our supply chain.

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**Section 172 Statement (continued)**

The Environment (continued)

Alongside this, we have also:

- Significantly improved the percentage of recycled materials used in our soft goods products. This includes material switching to between 30-50% recycled fibres across our highest volume lingerie and apparel lines.
- Focussed on switching almost all of our oils and lotions to vegan formulas and improving the recycled contents of the product packaging (also ensuring they are fully recyclable).
- Cutting unnecessary plastic packaging across our garments and ensuring the packaging that remains is made with increased amounts of recycled contents.
- Reducing the volume of goods sent via air freight, by improving supply chain management, and therefore, significantly reducing carbon emissions.
- Replacing lighting within our head office and distribution centre to LED lighting with motion sensor switches to reduce energy.

We appreciate this is a long-term journey for our business, but we believe we are setting ourselves up to make consistent positive progress, through instilling data at the heart of our strategy, and ensuring that we stringently monitor progress through globally recognised standards.

Our Shareholders

We rely on our shareholders as an essential source of capital to further our business objectives. They rely on us to protect and manage their investment in a responsible and sustainable way that generates value for them.

The Board has regular quarterly meetings with the shareholders, and they are involved in all key decisions taken, including approval of our budgets and strategic plans and initiatives.

**Approval**

This strategic report was approved by order of the Board on 23 August 2023.



J Boyle  
**Director**

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**Directors**

The statutory directors of the company throughout the period, and since the year end, were:

J Gold CBE (resigned 16 March 2023)

V Gold

S M Hollins (appointed 20 April 2022)

J Boyle (appointed 20 April 2022)

In addition, M Gifford acts a non-executive director.

**Dividends**

During the period, GGI Holdings Limited, the immediate and ultimate parent undertaking at 26 June 2021, completed a group reorganisation. As part of this, the company distributed its investment in Ann Summers Ireland (Retail) Limited by way of a dividend in specie to GGIH Holdings Limited (2021: £Nil).

The company does not proposal to pay a final dividend in respect of the 52 weeks ended 25 June 2022 (2021: £Nil).

**Employees**

The company is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. As such the company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by the applicant. Where existing employees become disabled, it is the company's policy to provide continuing employment under normal terms and conditions wherever practicable, and to provide training and career development and promotion wherever appropriate.

Involvement of company employees in relevant company matters is under constant consideration. The company's policy is to consult and discuss with employees at meetings and at forums matters likely to affect employees' interests. Information on matters of concern to employees is given through information bulletins, the company intranet site and by regular briefings. These seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

**Greenhouse gas emissions, energy consumption and energy efficiency action**

The total energy consumption for the company for the financial year for scope 1 and 2 emissions was 5.1 million kWh (2021: 4.0 million kWh) which produced total emissions of 980 Tonnes of CO<sub>2</sub>e (2021: 830 Tonnes) under the location based method. The emissions have been calculated using the UK Government GHG Conversion Factors for Company Reporting for the year 2022.

The company believes that the most appropriate intensity measure for its business is turnover as this captures the overall activity of the business and normalises emissions for annual comparison. The emissions for the financial year equate to 9.8 kWh per £m of turnover compared to 7.3 kWh per £m of turnover for the year ended 26 June 2021 under the location based method.



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**Greenhouse gas emissions, energy consumption and energy efficiency action (continued)**

The increase in all metrics year-on-year is due to the impact of the COVID-19 pandemic on the company's activities in 2020/21, particularly during the national lockdowns when stores were closed, head office employees were advised to work from home and business travel was limited. This significant change in business operations skewed the data.

The company is fully committed to minimising its impact on the environment. To support this objective, a register of energy efficiency measures has been compiled, with a view to implementing these measures in the next five years.

We have already begun to improve environmental practices in our business and throughout our supply chain. Our products are becoming more sustainable, and we are reducing waste, energy and water consumption and lowering our carbon emissions.

During the year there has been a focus on refitting our some of our office, warehouse and some stores in our portfolio with LED lighting. This has led to energy savings across the business. In our retail portfolio there have also been several relocations and store openings. These stores have been refitted to maximise energy efficiency and use energy saving options such as LED lighting.

In addition to energy savings, we have also updated our packaging to reduce waste and the energy spent on packaging goods. In particular, there has been a move to hanger free packaging to reduce the materials and energy used in the production process.

Our plans for the coming year include further rollout of LED lighting across our store estate, a re-tender of our energy contracts to include an increase in the energy used from more renewable sources, a reduction in the use of bags in store and an increase in retail waste recycling and the exploratory phase of lingerie recycling programme. In addition, the company plans to set Science Based Targets to formalise its commitment to reduce emissions and achieve net zero.

**Provision of information to auditor**

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

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

**Auditor**

The auditor, Haysmacintyre LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

## Ann Summers Ltd

### Report of the Directors for the 52 week period ended 25 June 2022

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#### **Post balance sheet events**

##### Director and Ultimate Beneficial Owner

Since the year end, J Gold the company's executive chair and one of its ultimate beneficial owners has sadly passed away.

As at the date of approving the financial statements, the company's ultimate controlling parties were the estate of J Gold and V Gold equally.

##### Financing

Since the year end, the shareholders of the new ultimate parent company, Ann Summers (UK) Holdings Limited have extended the loan facility made available to the company by an entity under common control, Green Street Holdings Limited. The loan is repayable in December 2024.

Since the year end, monthly repayments have been made against the other outstanding loans, totalling £38,000, in accordance with the agreed repayment schedule (see notes 17 and 18).

#### **Directors' responsibilities statement**

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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.

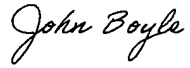
Ann Summers Ltd

Report of the Directors  
for the 52 week period ended 25 June 2022

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**Approval**

This Directors' Report was approved on 23 August 2023 and signed on its behalf.

A handwritten signature in cursive script that reads "John Boyle".

**J Boyle**  
Director

Independent Auditor's Report to the members of Ann Summers Ltd

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**Opinion**

We have audited the financial statements of Ann Summers Limited (the 'Company') for the period ended 25 June 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 25 June 2022 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Emphasis of matter**

We draw attention to note 1.3 in the financial statements. This note sets out disclosures in respect of going concern. Our opinion is not modified in respect of this matter.

**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 director's 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

Independent Auditor's Report to the members of Ann Summers Ltd

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**Other information (continued)**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report 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 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 by the Company, 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 18, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent Auditor's Report to the members of Ann Summers Ltd

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**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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements for the company and trade regulations and UK tax laws and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Review of board meeting minutes
- Identifying and testing accounting journal entries, in particular those journal entries which exhibited the characteristics we had identified as possible indicators of irregularities; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

Independent Auditor's Report to the members of Ann Summers Ltd

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**Auditor's responsibilities for the audit of the financial statements (continued)**

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

**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.



Anastasia Frangos (Senior Statutory Auditor)  
for and on behalf of Haysmacintyre LLP  
Chartered Accountants and Statutory Auditor  
10 Queen Street Place  
London  
EC4R 1AG  
Date: 23 August 2023

Ann Summers Ltd

Statement of Comprehensive Income  
for the 52 week period ended 25 June 2022

		2022	2021
		£	£
<b>Turnover</b>	3	<b>100,064,806</b>	93,242,418
Cost of sales		<b>(40,057,639)</b>	(42,366,561)
<b>Gross profit</b>		<b>60,007,167</b>	50,875,857
Selling and distribution expenses before exceptional expenses		<b>(36,106,408)</b>	(36,206,614)
Exceptional expenses	4	<b>1,639,020</b>	1,805,228
Selling and distribution expenses		<b>(34,467,388)</b>	(34,401,386)
Administrative expenses before exceptional expenses		<b>(25,098,128)</b>	(36,206,614)
Exceptional expenses	4	<b>(24,600,319)</b>	1,805,228
Administrative expenses		<b>(49,698,447)</b>	(17,825,779)
Other operating income	5	<b>2,373,361</b>	6,637,029
Operating profit before exceptional expenses		<b>1,175,992</b>	3,480,493
Exceptional expenses	4	<b>(22,961,299)</b>	1,805,228
<b>Operating (loss)/profit</b>	6	<b>(21,785,307)</b>	5,285,721
Interest receivable and similar income	9	<b>103</b>	1,465,752
Interest payable and similar charges	10	<b>(146,665)</b>	(311,619)
Profit on ordinary activities before taxation and exceptional expenses		<b>1,029,430</b>	(9,537,525)
Exceptional expenses	4	<b>(22,961,299)</b>	1,805,228
<b>(Loss)/Profit on ordinary activities before taxation</b>		<b>(21,931,869)</b>	6,439,853
Tax charge on (loss)/profit on ordinary activities	11	<b>-</b>	(1,099,683)
<b>(Loss)/Profit for the financial period</b>		<b>(21,931,869)</b>	5,340,170
Other comprehensive income		<b>-</b>	-
<b>Total comprehensive (loss)/income</b>		<b>(21,931,869)</b>	5,340,170

All amounts relate to continuing operations.

There were no recognised changes in equity for 2022 or 2021 other than those included in the Statement of Comprehensive Income.

The notes on pages 27 to 46 form part of these financial statements.



Ann Summers Ltd

Balance Sheet as at 25 June 2022  
Company Number 01034349

	Note	2022 £	2021 £
		£	£
<b>Fixed assets</b>			
Intangible assets	12	7,703,437	8,422,161
Tangible assets	13	3,543,643	3,010,155
Investments	14	-	2,639
		<u>11,247,080</u>	<u>11,434,955</u>
<b>Current assets</b>			
Stocks	15	16,937,579	14,483,172
Debtors	16	11,322,103	36,245,204
Cash at bank and in hand		2,162,453	157,614
		<u>30,422,135</u>	<u>50,885,990</u>
<b>Creditors:</b> amounts falling due within one year	18	(25,055,320)	(25,370,598)
<b>Net current assets</b>		<u>5,366,815</u>	<u>25,515,392</u>
<b>Total assets less current liabilities</b>		<u>16,613,895</u>	<u>36,950,347</u>
<b>Creditors:</b> amounts falling due after more than one year	19	(9,378,574)	(6,556,959)
<b>Provisions for liabilities and charges</b>			
Other provisions	20	(2,353,607)	(3,579,805)
<b>Net assets</b>		<u>4,881,714</u>	<u>26,813,583</u>
<b>Capital and reserves</b>			
Called up share capital	21	500,000	500,000
Profit and loss account		4,381,714	26,313,583
<b>Equity shareholders' funds</b>		<u>4,881,714</u>	<u>26,813,583</u>

The financial statements were approved and authorised for issue by the Board of Directors on 23 August 2023.

*John Boyle*

J Boyle  
Director

The notes on pages 27 to 46 form part of these financial statements.

Ann Summers Ltd

Statement of Changes in Equity

**For the 52 week period ended 26 June 2021**

	Called up share capital £	Profit and loss account £	Total £
Balance at 27 June 2020	500,000	20,973,413	21,473,413
Profit for the period	-	5,340,170	5,340,170
Other comprehensive income for the period	-	-	-
<b>Total comprehensive income for the period</b>	-	5,340,170	5,340,170
<b>At 26 June 2021</b>	500,000	26,313,583	26,813,583

**For the 52 week period ended 25 June 2022**

	Called up share capital £	Profit and loss account £	Total £
Balance at 26 June 2021	500,000	26,313,583	26,813,583
Loss for the period	-	(21,931,869)	(21,931,869)
Other comprehensive income for the period	-	-	-
<b>Total comprehensive loss for the period</b>	-	(21,931,869)	(21,931,869)
<b>At 25 June 2022</b>	500,000	4,381,714	4,881,714

**Reserves**

*Profit and loss account*

This reserve represents cumulative profits and losses of the company.

The notes on pages 27 to 46 form part of these financial statements.

Ann Summers Ltd

Statement of Cash flows  
for the 52 week period ended 25 June 2022

	2022	2021
<b>Cash flows from operating activities</b>		
(Loss)/Profit for the financial year	(21,931,869)	5,340,170
<b>Adjustments for:</b>		
Amortisation of intangible fixed assets	1,901,192	1,630,896
Depreciation of tangible fixed assets	1,049,602	1,003,309
Loss on disposal of intangible fixed assets	107,476	3,223
Loss on disposal of tangible fixed assets	71,305	60,637
Loss on disposal of intercompany loan	24,600,319	-
Impairment of tangible fixed assets	(535,337)	121,796
Impairment of investments	2,639	-
Interest receivable and similar income	(103)	(1,465,752)
Interest payable and similar charges	146,665	311,619
Taxation charge	-	1,099,683
(Increase)/decrease in stocks	(2,454,406)	(3,982,575)
(Increase)/decrease in debtors	(5,177,217)	(1,956,343)
(Decrease)/Increase in creditors	(259,100)	487,040
(Decrease)/Increase in provisions	(1,226,198)	(1,071,006)
<b>Net cash generated from operating activities</b>	<b>(3,705,032)</b>	<b>1,582,697</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(1,244,153)	(1,232,475)
Purchase of tangible assets	(1,340,265)	(214,769)
Proceeds on disposal of intercompany loan	5,500,000	-
Interest received	103	15,363
<b>Net cash used in investing activities</b>	<b>2,915,685</b>	<b>(1,431,881)</b>
<b>Cash flow from financing activities</b>		
Loans repaid	(2,684,235)	(1,347,427)
New loans drawn down	5,531,913	-
Interest paid	(53,492)	(193,747)
<b>Net cash (used in)/from financing activities</b>	<b>2,794,186</b>	<b>(1,541,174)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>2,004,839</b>	<b>(1,390,358)</b>
Cash and cash equivalents at beginning of period	157,614	1,547,972
<b>Cash and cash equivalents at end of period</b>	<b>2,162,453</b>	<b>157,614</b>
<b>Cash and cash equivalents comprise:</b>		
Cash at bank and in hand	2,162,453	157,614

The notes on pages 27 to 46 form part of these financial statements.

Notes to the financial statements  
for the 52 week period ended 25 June 2022

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**1 Accounting policies**

**1.1 General Information**

Ann Summers Limited is a private limited company incorporated in the United Kingdom. The address of its registered office and principal place of business is Gold Group House, Godstone Road, Whyteleafe, Surrey, CR3 0GG.

The principal activity of the company is the retail and wholesale of lingerie, apparel, adult toys and related accessories. The financial statements have been presented in Pound Sterling as this is the currency of the primary economic environment in which the company operates and rounded to the nearest pound.

**1.2 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 'the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires company management to exercise judgement in applying the company's accounting policies (see note 2). The following principal accounting policies have been applied:

**1.3 Going concern**

The financial statements have been prepared on a going concern basis having given due consideration to current trading and forward projections that consider the global supply chain issues, rising costs, the Russia/Ukraine conflict, and inflation at an all-time high, all of which will undoubtedly have an impact on profitability and consumer sentiment in the foreseeable future.

The directors have prepared a detailed cash flow forecast for a period of at least twelve months from the date of approval of these financial statements for the company. The directors have also considered a severe but plausible forecast that focuses on the potential impact of a further weakening in consumer spending and broader political and economic uncertainty on the company's trading performance.

The principal assumptions in the severe but plausible forecast include:

- A reduction in retail sales of 7.5% against the base case forecast; and
- A corresponding reduction in variable costs; and
- The benefit of mitigating actions that would be taken including a reduction in stock intake and capital expenditure.

The directors note that the shareholders of the parent company have agreed to provide additional and sufficient funds if required, so that Ann Summers Limited has adequate resources to continue operating and to meet its liabilities as and when they fall due, for the 12 months from the date of signing the accounts. Furthermore, they have confirmed that Ann Summers Ltd will not be required to repay the shareholder loan described in note 19 within the next 12 months.

Notes to the financial statements  
for the 52 week period ended 25 June 2022

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**1 Accounting policies (continued)**

**1.3 Going concern**

After review of the forecasts for the coming twelve months from the date of signing the financial statements, including the severe but plausible downside scenario and the availability of finance facilities as disclosed above, the directors believe that the company will have sufficient funds in order to meet liabilities as they fall due. Accordingly, the directors believe it is appropriate to prepare the financial statements on a going concern basis.

The financial statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate.

**1.4 Turnover**

Turnover is recognised by the company when goods have been sold and despatched and is stated exclusive of VAT and trade discounts. The buyer's right to return is recognised by reducing turnover by an amount that is based on returns rate trends for the relevant sales channel.

**1.5 Tangible fixed assets**

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

Repairs and maintenance are charged to Statement of Comprehensive Income during the period in which they are incurred.

**1.6 Intangible fixed assets**

Intangible fixed assets that are acquired by the company are stated at historical cost less accumulated amortisation and any accumulated impairment losses.

Expenditure on development activities is capitalised if the product is technically and commercially feasible and the company intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the company can measure reliably the expenditure attributable to the intangible asset during its development. The expenditure capitalised includes direct labour and an appropriate proportion of overheads. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

Notes to the financial statements  
for the 52 week period ended 25 June 2022

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**1 Accounting policies (continued)**

**1.7 Depreciation and amortisation**

Depreciation on other assets is charged so as to allocate the cost of assets over their estimated useful lives, using the straight-line method, to their residual value. The estimated useful lives range as follows:

Website development costs	-	4 years
Computer software costs	-	4 to 8 years
Short leasehold land and buildings	-	4 years
Motor vehicles	-	4 years
Fixtures, fittings and equipment	-	4 to 9 years

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of Comprehensive Income.

Depreciation and amortisation are both disclosed within administrative expenses in Statement of Comprehensive Income.

**1.8 Impairment of fixed assets and goodwill**

Assets that are subject to depreciation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

**1.9 Investments**

Investments held as fixed assets are shown at cost less provision for impairment.

Notes to the financial statements  
for the 52 week period ended 25 June 2022

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**1 Accounting policies (continued)**

**1.10 Stocks**

Stock is held at the lower of cost and net realisable value. The cost is based on the weighted average cost comprising the purchase price, transport and handling costs, and the net realisable value is the estimated selling price less costs incurred to sell.

At each reporting date, stocks are assessed on this basis, and the carrying value is reduced as appropriate. The difference is recognised in the Statement of Comprehensive Income.

**1.11 Debtors**

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

**1.12 Cash and cash equivalents**

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

**1.13 Creditors**

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

**1.14 Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies are translated into the company's functional currency (sterling) at the rate of exchange prevailing at the balance sheet date.

Foreign currency transactions are translated into the company's functional currency (sterling) using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Notes to the financial statements  
for the 52 week period ended 25 June 2022

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**1 Accounting policies (continued)**

**1.15 Current and deferred taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**1.16 Leased assets**

Rentals payable under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the lease.

Incentives received to enter into operating lease agreements are released to the Statement of Comprehensive Income over the term of the lease.

**1.17 Pension costs**

Contributions to the company's defined contribution pension scheme are charged to the Statement of Comprehensive Income in the period in which they become payable.

**1.18 Holiday pay accrual**

In the unusual event that there is any unused holiday pay entitlement accrued at the balance sheet date, a liability is recognised measured and accrued at the undiscounted salary cost of the future holiday entitlement at the balance sheet date.

**1.19 Government grants**

During the prior period, the Coronavirus Job Retention Scheme (CJRS) resulted in cash payments from the Government to compensate employers for part of the wages, associated National Insurance Contributions (NICs) and employer pension contributions of employees who have been placed on furlough (i.e. placed on a temporary leave of absence from working for the employer. This is accounted for in accordance with Section 24 of FRS102 under the accruals model in the same period as the related expenditure.

Wider Government financial support for businesses affected by Covid also includes Local Restrictions Support Grants and Closed Business Lockdown grants. All grants received are accounted for in accordance with Section 24 of FRS102 under the accruals model.

All grants of a revenue nature are recognised in the Statement of Comprehensive Income within other operating income.



Ann Summers Ltd

Notes to the financial statements  
for the 52 week period ended 25 June 2022

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**1 Accounting policies (continued)**

**1.20 Group overhead expenditure**

Overhead expenditure incurred by the company on behalf of other group companies is recharged to each of these companies in the period in which it is incurred.

**1.21 Disclosure exemptions**

In preparing these financial statements, the company has taken advantage of the disclosure exemptions, as permitted by FRS 102 paragraph 1.12. Ann Summers Ltd financial statements are consolidated in Ann Summers (UK) Holdings Limited for the period ended 25 June 2022. A copy of the consolidated financial statements can be obtained from Gold Group House, Godstone Road, Whyteleafe, Surrey, CR3 0GG.

The company has taken advantage of the following exemptions in preparing the company financial statements:

Key management personnel compensation section 33.7.

Notes to the financial statements  
for the 52 week period ended 25 June 2022

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**2 Judgements in applying accounting policies and key sources of estimation uncertainty**

The preparation of the financial statements requires the company to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk if causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

*2.1 Tangible fixed assets*

Tangible fixed assets are depreciated over their useful lives which are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account.

*2.2 Intangible fixed assets*

Intangible fixed assets are depreciated over their useful lives which are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, and enhancement programmes are taken into account.

*2.3 Impairment of tangible and intangible fixed assets*

Tangible and intangible assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

Management performs an impairment review for each cash-generating unit (CGU) that has indicators of impairment. The Directors consider an individual retail store to be a CGU, and perform an impairment review if a store is loss-making. When a review for impairment is conducted, the recoverable amount of an asset or CGU is determined based on value-in-use calculations using the Board approved budget and three-year plan at the period end date and are discounted using the weighted average cost of capital. Forecasts beyond the three-year time period are based on expected GDP rates of growth. Management's assumptions and estimates, based on the remaining lease length of each store, are used in the value-in-use calculation for store CGUs. Future events could cause the forecasts and assumptions used in impairment reviews to change with a consequential adverse impact on the results and net position of the wider group of companies under common control as actual cash flows may differ from forecasts and could result in further material impairments in future years.

Notes to the financial statements  
for the 52 week period ended 25 June 2022

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**2 Judgements in applying accounting policies and key sources of estimation uncertainty (continued)**

*2.4 Onerous leases*

Loss making stores are assessed annually in line with the company's property portfolio strategy to determine whether the lease is onerous. Provision is made when it is considered that the unavoidable costs of meeting the lease contracts for these stores will exceed the expected future economic benefits. The balance reflects the net present value of future cash flows over the life of the respective leases.

*2.5 Dilapidations provision*

This provision is made for the present value of the expected obligation to landlords at the end of a lease term. It is calculated using a dilapidations cost per square foot which is based upon historic dilapidation settlements with landlords at the end of a lease term. Where management are aware of other factors that alter this cost per square foot (for example known damages or exemption clauses), the provision will be adjusted for this.

*2.6 Refund provision*

The customer's right to return goods is recognised through the refund provision which is calculated based upon current return rates multiplied by the value of sales in the relevant trading period. The provision is applied on a trading channel basis. Any change in the carrying value of the provision in the period is charged to the Statement of Comprehensive Income.

*2.7 Stock provision*

It is expected that a small proportion of stock purchased will be sold at below cost or will never be sold because of stock loss, damage or line fragmentation. The stock provision is reassessed at each balance sheet date and is calculated based on a comparison of cost and net realisable value. Selling prices are estimated to determine the net realisable value and are based on the most recent selling price for each product as well as the seasonality of the stock and historic trading patterns.

*2.8 Exceptional items*

The company separately reports exceptional items within their relevant Statement of Comprehensive Income line as it believes that this helps provide a better indication of the underlying performance of the company. Judgement is required in determining whether an item should be classified as an exceptional item or included within the underlying results. This assessment covers the nature of the item, cause of occurrence and the scale of the impact of that item on the reported performance. Generally exceptional items include those that do not occur often and are material. Reversals of previous exceptional items are assessed based on the same criteria. Further detail on the exceptional items in the 52 week periods ended 25 June 2022 and 26 June 2021 is provided in note 4.

Ann Summers Ltd

Notes to the financial statements  
for the 52 week period ended 25 June 2022

**3 Turnover**

The whole of the turnover is attributable to the company's principal activity.

Analysis of turnover by country of destination was:	2022	2021
	£	£
United Kingdom	96,510,989	89,785,581
Rest of Europe	2,586,668	2,449,072
Rest of the world	967,149	1,007,765
	<u>100,064,806</u>	<u>93,242,418</u>

**4 Exceptional expenses**

	2022	2021
	£	£
Loss on disposal of intercompany loan(see note 16)	24,600,319	-
Impairment of tangible fixed assets (see note 13)	(535,337)	121,796
Change in onerous lease provision (see note 20)	(826,174)	(1,345,390)
Holiday pay accrual release	(277,509)	(581,634)
Exceptional expenses charge((credit)	<u>22,961,299</u>	<u>(1,805,228)</u>

The exceptional expenses charge in the 52 week period ended 25 June 2022 include:

- A charge to the income statement in relation to the sale of a loan due from a fellow group company, Gold Group International Limited. Under the terms of the CVA, the company was periodically required to market the loan. During the 52 weeks ended 25 June 2022, an offer was received to acquire the loan for £5.5m which, under the terms of the CVA, the group had the right to match. As a consequence Gold Group International Limited acquired and settled the loan of £30.1 million for £5.5 million resulting in a loss on disposal in the 52 weeks ended 25 June 2022.
- A credit to the income statement arising from a partial reversal Impairment of tangible fixed assets in relation to store assets. In the 52 weeks ended 27 June 2020, an impairment was recognised for stores where the expected recoverable amount from value in use was less than the net book value. This was largely due to the impact of COVID-19 on the retail sector. Following the CVA, renegotiation of rents and an improvement in the trading performance of retail stores, there has been a partial reversal of the impairment in the 52 weeks ended 25 June 2022.
- A credit to the income statement arising from a release of the onerous lease provision. A provision was recognised at 27 June 2020 for stores that were not expected to generate a positive value in use based on the forecasts and projections available at 27 June 2020. This was largely due to the impact of COVID-19 on the retail sector. Following the CVA , renegotiation of rents, and an improvement in the trading performance of retail stores there has been a release of the remaining provision in the 52 weeks ended 25 June 2022.

Notes to the financial statements  
for the 52 week period ended 25 June 2022

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**4 Exceptional expenses (continued)**

- A credit to the income statement arising from a release of the holiday pay accrual recognised at 27 June 2020. This was in relation to the government requirement to allow employees to carry over holiday into the following two years during the COVID-19 pandemic. As at 25 June 2022, employees have utilised their remaining carried over holiday from the COVID-19 pandemic such that there was been a partial release of the accrual in the 52 weeks ended 22 June 2022.

The exceptional expenses credit in the 52 week period ended 26 June 2021 included:

- Impairment of tangible fixed assets in relation to store assets where the expected recoverable amount from value in use is less than the net book value at 26 June 2021. This is largely due to the impact of COVID-19 on the retail sector.
- A credit to the income statement arising from a partial release of the onerous lease provision. A provision was recognised at 27 June 2020 for stores that were not expected to generate a positive value in use based on the forecasts and projections available at 27 June 2020. This was largely due to the impact of COVID-19 on the retail sector. Following the CVA and renegotiation of rents, there has been a partial release of this provision in the 52 weeks ended 26 June 2021.
- A credit to the income statement arising from a partial release of the holiday pay accrual recognised at 27 June 2020. This was in relation to the government requirement to allow employees to carry over holiday into the following two years during the COVID-19 pandemic. As at 26 June 2021, employees have utilised some of their carried over holiday such that there was been a partial release of the accrual in the 52 weeks ended 26 June 2021.

**5 Other operating income**

	2022	2021
	£	£
Government grants	-	3,293,110
Sundry income	378,208	420,147
Rents and service charges	32,798	33,071
Postage and courier income	1,962,355	2,890,701
	<u>2,373,361</u>	<u>6,637,029</u>

Ann Summers Ltd

Notes to the financial statements  
for the 52 week period ended 25 June 2022

**6 Operating (loss)/profit**

The operating (loss)/profit is stated after charging:

	2022	2021
	£	£
Amortisation of intangible fixed assets	1,901,192	1,630,896
Depreciation of tangible fixed assets	1,049,602	1,003,309
Impairment of tangible fixed assets	(535,337)	121,796
Impairment of investments	2,639	-
Fees payable to the company's auditor for audit services	116,500	120,000
Fees payable to the company's auditor for other services:		
Tax compliance	8,000	7,250
Loss on disposal of intangible fixed assets	107,476	-
Loss on disposal of tangible fixed assets	71,305	63,860
Operating lease rentals	9,383,910	6,061,806
(Credit)/Charge in relation to onerous lease provision	(826,174)	(1,345,390)

**7 Employees**

Staff costs consist of:

	2022	2021
	£	£
Wages and salaries	20,142,720	17,731,576
Social security costs	1,667,581	1,383,284
Other pension costs	551,521	423,026
	<u>22,361,822</u>	<u>19,537,886</u>

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

	2022	2021
	Number	Number
Distribution and retail staff	870	795
Administration staff	195	172
	<u>1,065</u>	<u>967</u>

A defined contribution pension scheme is operated by the company on behalf of the employees of the company. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £551,521 (2021: £423,026). The amount outstanding at the period end and included within other creditors was £156,233 (2021: £154,668).

Ann Summers Ltd  
Notes to the financial statements  
for the 52 week period ended 25 June 2022

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**8 Directors emoluments**

In the prior year, the directors were paid by a fellow group company, Gold Group International Limited.

Following a demerger by the immediate and ultimate parent company, GGI Holdings Limited, during the year and the appointment of S Hollins and J Boyle as statutory directors of the company, remuneration was paid to the directors of the company in the 52 weeks ended 25 June 2022.

	2022	2021
	£	£
Emoluments	273,665	-

No directors were accruing benefits in respect of a pension scheme.

The emoluments above include the following amounts paid to the highest paid director:

	2022	2021
	£	£
Emoluments	93,186	-

**9 Interest receivable and similar income**

	2022	2021
	£	£
Interest receivable from group companies	-	1,450,388
Interest receivable from bank	103	15,364
	103	1,465,752

**10 Interest payable and similar charges**

	2022	2021
	£	£
Bank loans and overdrafts	-	-
Other interest payable	146,665	311,619
	146,665	311,619

Ann Summers Ltd

Notes to the financial statements  
for the 52 week period ended 25 June 2022

**11 Taxation on (loss)/profit on ordinary activities**

	2022 £	2021 £
<i>UK Corporation Tax</i>		
Current tax charge on (loss)/profit for the period		-
Adjustments in respect of previous periods	-	(3,996)
	-	(3,996)
<i>Deferred tax</i>		
Origination and reversal of timing differences	-	1,507,711
Adjustments in respect of previous periods	-	(42,182)
Effect of tax rate change on opening balance	-	(361,850)
	-	1,103,679
Tax charge on (loss)/profit on ordinary activities	-	1,099,683

The tax assessed for the period differs from (2020: differs from) the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	2022 £	2021 £
(Loss)/Profit on ordinary activities before tax	(21,931,869)	6,439,853
(Loss)/Profit on ordinary activities at the standard rate of corporation tax in the UK of 19.00% (2021 – 19.00%)	(4,167,055)	1,223,572
Effects of:		
Expenses not deductible for tax purposes	4,675,116	42,421
Income not taxable for tax purposes	(41,562)	-
Fixed asset timing differences	6,763	16,248
Other permanent differences	557	-
Group relief claimed but unpaid for	-	-
Adjustments to prior periods	-	(46,178)
Deferred tax not recognised	(570,691)	1,141,647
Remeasurement of deferred tax for change in tax rates	96,872	(1,278,027)
Total tax charge for the period	-	1,099,683

The Government announced in March 2021 that the rate of Corporation Tax will increase from April 2023 to 25% for companies with profits over £250,000. As the deferred tax assets and liabilities should be recognised based on the corporation tax rate at which they are anticipated to unwind, the assets and liabilities have been recognised at a rate of 25% (2021: 25%).

At 25 June 2022, the company had unutilised tax losses of £17,063,643 (2021: £16,641,325).



Ann Summers Ltd

Notes to the financial statements  
for the 52 week period ended 25 June 2022

**12 Intangible fixed assets**

	Website development £	Software £	Total £
<b>Cost</b>			
At 26 June 2021	1,103,916	11,576,151	12,680,067
Additions	295,351	994,593	1,289,944
Disposals	-	(204,918)	(204,918)
At 25 June 2022	1,399,267	12,365,826	13,765,093
<b>Amortisation</b>			
At 26 June 2021	543,226	3,714,680	4,257,906
Charge for the period	198,072	1,703,120	1,901,192
Disposals	-	(97,442)	(97,442)
At 25 June 2022	741,298	5,320,358	6,061,656
<b>Net book value</b>			
At 25 June 2022	657,969	7,045,468	7,703,437
At 26 June 2021	560,690	7,861,471	8,422,161

**13 Tangible fixed assets**

	Short leasehold land and buildings £	Motor vehicles £	Fixtures, fittings and equipment £	Total £
<b>Cost</b>				
At 26 June 2021	133,986	384,340	19,629,699	20,148,025
Additions	-	-	1,119,058	1,119,058
Disposals	-	-	(1,526,255)	(1,526,255)
At 25 June 2022	133,986	384,340	19,222,502	19,740,828
<b>Depreciation</b>				
At 26 June 2021	133,986	384,340	16,619,544	17,137,870
Charge for the period	-	-	1,049,602	1,049,602
Impairment reversal (see note 4)	-	-	(535,337)	(535,337)
Eliminated on disposal	-	-	(1,454,950)	(1,454,950)
At 25 June 2022	133,986	384,340	15,678,859	16,197,185
<b>Net book value</b>				
At 25 June 2022	-	-	3,543,643	3,543,643
At 26 June 2021	-	-	3,010,155	3,010,155

Ann Summers Ltd

Notes to the financial statements  
for the 52 week period ended 25 June 2022

**14 Fixed asset investments**

	Investments in subsidiary companies £
At 26 June 2021	2,639
Impairment	(2,639)
At 26 June 2022	-

*Subsidiary undertakings, associated undertakings and other investments at 25 June 2022*

Name	Country of registration or incorporation	Proportion of voting rights and ordinary share capital held	Nature of Business
<i>Subsidiary undertakings</i>			
Ann Summers IP Limited	England & Wales	100%	Owner of all IP
Ann Summers (Ireland) Limited	Republic of Ireland	100%	Non-trading
Ann Summers S.L.	Spain	100%	Non-trading

The registered office for Ann Summers IP Limited is Gold Group House, Godstone Road, Whyteleafe, Surrey, CR3 0GG.

The registered office for Ann Summers (Ireland) Limited is 38 Upper Mount Street, Dublin 2, Ireland.

The registered office for Ann Summers S.L is Madrid, Paseo de la Castellana num. 35, Spain.

During the period, GGI Holdings Limited, the immediate and ultimate parent undertaking at 26 June 2021, completed a group reorganisation. As part of this, the company distributed its investment in Ann Summers Ireland (Retail) Limited by way of a dividend in specie to GGIH Holdings Limited.

**15 Stocks**

	2022 £	2021 £
Finished goods and goods for resale	16,937,579	14,483,172

Ann Summers Ltd

Notes to the financial statements  
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**16 Debtors**

	2022 £	2021 £
Trade debtors	1,775,492	1,458,093
Amounts owed by group undertakings	3,979	32,569,707
Other debtors	4,254,394	1,403,688
Prepayments and accrued income	5,288,238	813,716
	<u>11,322,103</u>	<u>36,245,204</u>

All amounts shown under debtors fall due within one year except the deferred tax asset and the amounts owed by group undertakings.

Included within other debtors at 25 June 2022 (2021: £178) are amounts due from directors (see note 25).

**17 Deferred tax asset**

	2022 £	2021 £
At 26 June 2021	-	1,103,679
Charged to statement of comprehensive income	-	(1,103,679)
At 25 June 2022	<u>-</u>	<u>-</u>

The deferred tax asset is made up as follows:

Accelerated capital allowances	-	-
Other timing differences	-	-
Accelerated capital allowances	<u>-</u>	<u>-</u>

Ann Summers Ltd

Notes to the financial statements  
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**18 Creditors: amounts falling due within one year**

	2022 £	2021 £
Trade creditors	11,351,675	5,772,769
Social security and other taxes	2,937,813	7,274,724
Other creditors	2,539,814	2,989,957
Accruals and deferred income	8,182,842	9,087,737
Corporation tax	-	-
Loans due in one year	43,176	245,411
	<u>25,055,320</u>	<u>25,370,598</u>

Loans are secured against certain assets of the company. The loans are repayable in monthly instalments over the period until February 2023 and have an effective interest rate of 9.8%. Since the year end, monthly repayments have been made against the other outstanding loans in accordance with the agreed repayment schedule, such that £38,000 of the outstanding balance at 25 June 2022 has been repaid (see note 26).

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

	2022 £	2021 £
Amounts owed to group undertakings	3,385,980	3,497,099
Other creditors	460,681	597,695
Loans due in more one year	-	46,961
Shareholder Loan	5,531,913	2,415,204
	<u>9,378,574</u>	<u>6,556,959</u>

During the 52 week period ended 27 June 2020, the shareholders of the ultimate parent company at that date, GGI Holdings Limited, loaned the company £4.7 million. Of this, £2.0m was repaid in the 52 weeks ended 27 June 2020, £0.5m was repaid in the 52 weeks ended 26 June 2021 and the balance was repaid in the 52 weeks ended 25 June 2022.

In 52 weeks ended 25 June 2022, the shareholders of the new ultimate parent company, Ann Summers (UK) Limited, made available a loan facility of £10.0m from an entity under common control, Green Street Holdings Limited. The loan is repayable in December 2024 and interest is payable quarterly at a rate of 5% per annum on the drawn portion and 1% per annum on any undrawn portion. As at 25 June 2022, the company had drawn £5,531,913 on the loan and also owed £80,979 in unpaid interest and non-utilisation fees (included in accruals). See note 25.

Ann Summers Ltd

Notes to the financial statements  
for the 52 week period ended 25 June 2022

**20 Provisions for liabilities**

	Dilapidations £	Onerous leases £	Total £
At 26 June 2021	2,503,631	1,076,174	3,579,805
Charged/(credited) to statement of comprehensive income	136,431	(826,174)	(689,743)
Utilised in the period	(286,455)	(250,000)	(536,455)
At 25 June 2022	<u>2,353,607</u>	<u>-</u>	<u>2,353,607</u>

**21 Share capital**

	2022 £	2021 £
<b>Authorised</b>		
500,010 – ordinary shares of £1 each	<u>500,010</u>	<u>500,010</u>
<b>Allotted, called up and fully paid</b>		
500,000 – ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>

**22 Commitments under operating leases**

At 25 June 2022 the company had minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	5,706,756	7,557,505
Later than 1 year and not later than 5 years	15,123,225	19,418,137
Later than 5 years	6,970,501	10,002,691
	<u>27,800,482</u>	<u>36,978,333</u>

## Ann Summers Ltd

### Notes to the financial statements for the 52 week period ended 25 June 2022

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#### **23 Ultimate parent undertaking and controlling party**

As at 25 June 2022, the company's immediate and ultimate parent undertaking is Ann Summers (UK) Holdings Limited, a newly incorporated company registered in England and Wales, which was the smallest and largest group to consolidate the company's financial statements. Copies of the group financial statements of Ann Summers (UK) Holdings Limited are available from Gold Group House, Godstone Road, Whyteleafe, Surrey, CR3 0GG.

As at 25 June 2022 the company's ultimate controlling parties were J Gold and V Gold equally by virtue of their interest in the issued share capital of the ultimate parent undertaking, Ann Summers (UK) Holdings Limited.

Since the year end, J Gold has sadly passed away (see note 26). As at the date of approval of the financial statements, her estate remains a beneficial owner of the company.

#### **24 Contingent liabilities**

At 25 June 2022, the company had given a cross guarantee to secure the bank overdraft arrangements of the group of entities under common control. The group benefitted from an overdraft facility such that individual bank accounts or company accounts may be overdrawn so long as the group position is in funds. At the balance sheet date, the group's indebtedness to its bankers under these arrangements was £nil (2021: £nil).

#### **25 Related Party transactions**

At 25 June 2022, the company was a wholly owned subsidiary of Ann Summers (UK) Holdings Limited and utilised the exemption contained in FRS 102 not to disclose any transactions with entities which are part of the Ann Summers (UK) Holdings group. The address at which the consolidated financial statements are publicly available is Gold Group House, Godstone Road, Whyteleafe, Surrey, CR3 0GG.

Included within debtors at 25 June 2022 are amounts due from directors. As at 25 June 2022, £647 (2021: £178) was owed to the company by J Gold and £2,820 (2021: £nil) was owed to the company by V Gold (see note 16).

During the 52 week period ended 27 June 2020, the shareholders of the ultimate parent company at that date, GGI Holdings Limited, loaned the company £4.7 million. Of this, £2.0m was repaid in the 52 weeks ended 27 June 2020, £0.5m was repaid in the 52 weeks ended 26 June 2021 and the balance was repaid in the 52 weeks ended 25 June 2022. See note 19.

In 52 weeks ended 25 June 2022, the shareholders of the new ultimate parent company, Ann Summers (UK) Limited, made available a loan facility of £10.0m from an entity under common control, Green Street Holdings Limited. The loan is repayable in December 2024 and interest is payable quarterly at a rate of 5% per annum on the drawn portion and 1% per annum on any undrawn portion. As at 25 June 2022, the company had drawn £5,531,913 on the loan and also owed £80,979 in unpaid interest and non-utilisation fees (included in accruals). See note 19.

Notes to the financial statements  
for the 52 week period ended 25 June 2022

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**25 Related Party transactions (continued)**

During the period, the company entered into arm's length transactions with various entities under common control.

Ann Summers Ireland (Retail) Limited, a former subsidiary, bought inventory from the company and was charged a management fee for the services provided by Ann Summers Limited. As at 25 June 2022, £2,598,928 was owed to the company by Ann Summers Ireland (Retail) Limited.

Green Street Services Limited, a company under common control, procured services from the company including accounting and insurance. As at 25 June 2022, £73,751 was owed to the company by Green Street Services Limited.

Following the demerger of the company in November 2021, a former group company, Gold Group International Limited became a related party by virtue of its ultimate beneficial owner D Gold being the father of the company's ultimate beneficial owners J Gold and V Gold. As at 25 June 2022, £183,840 was owed to the company by Gold Group International Limited.

**26 Post balance sheet events**

Director and Ultimate Beneficial Owner

Since the year end, J Gold the company's executive chair and one of its ultimate beneficial owners has sadly passed away.

As at the date of approving the financial statements, the company's ultimate controlling parties were the estate of J Gold and V Gold equally.

Financing

Since the year end, the shareholders of the new ultimate parent company, Ann Summers (UK) Holdings Limited have extended the loan facility made available to the company by an entity under common control, Green Street Holdings Limited. The loan is repayable in December 2024.

Since the year end, monthly repayments have been made against the other outstanding loans, totalling £38,000, in accordance with the agreed repayment schedule (see notes 18 and 19).

All of the above post balance sheet events are considered to be non-adjusting post balance sheet events for the company.