

Freed of London Limited

Registered number: 02693052

Annual report and financial statements

For the year ended 31 December 2022



FREED OF LONDON LIMITED

COMPANY INFORMATION

Directors	S Garrard A Ozbey O Suzuki J Viola
Company secretary	A Ozbey
Registered number	02693052
Registered office	62/64 Well Street London E9 7PX
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor 6 Dominus Way Meridian Business Park Leicester LE19 1RP

FREED OF LONDON LIMITED

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FREED OF LONDON LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

The Directors present their strategic report for Freed of London Limited and its subsidiary undertakings for the year ended 31 December 2022.

Business review

The principal activity of the Group and Company continued to be the design, manufacture and distribution of professional dance shoes.

The Board are delighted to report a positive year of trading for the Group, which sees it return back to profitability.

2022 was the first period since the pandemic where all dance based events and programs were open, without lockdown restrictions, throughout the whole year since 2019. This has had a positive impact on demand for the Group's products across all of the regions within which the business operates, resulting in sales and profitability strongly returning back to pre-pandemic levels.

As previously reported, the Group implemented a significant re-organisation of its operations during the pandemic years, which included the development of a new, state of the art manufacturing facility in the UK, and a restructure of its activities in the US and on mainland Europe. 2022 was the first full trading period where the business could operate fully following the restructure. As planned, all of these initiatives have successfully delivered the intended efficiency and productivity gains resulting in improved profit margins on previous periods.

Despite the uncertain macro-economic background, the Group reports a 25% increase in turnover from £7.8m in 2021 to £9.8m in the year under review. Gross margins also significantly improved on 2021, increasing by 6 points to 50% in 2022. Trading conditions have continued positively and profitably in the current year and the Board look forward to reporting further improvements to trade in FY23.

At the year end, the Group had shareholders' funds of £7.8m (2021 - £7.5m). The Directors therefore continue to believe the Group's financial position to be satisfactory, particularly with current assets in excess of current liabilities by £3.3m (2021: £2.9m) including cash reserves of £2.9m (2021 - £2.8m) at the year end.

Group support

Onward Holdings Co, the ultimate parent undertaking, is a pan global group which Freed of London is a member of. Onward Holdings have confirmed they continue to be wholly committed to supporting and developing the future success of Freed of London.

Principal risks and uncertainties

The Directors have assessed the main risks facing the Group as competition within its market place and macro economic conditions. The Board, as previously reported, have recently undertaken a strategic review in respect of its continued investment in overseas markets and have implemented a planned withdrawal from certain unprofitable sectors in these markets. The Directors believe the Group's continued investment in the strength of its market leading brand and the continued control of its overheads, will competitively position the Group and assist in the delivery of future growth.

FREED OF LONDON LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Financial risks

The Group finances its operations through retained profits and the use of local currency operational bank accounts. The Directors seek to minimise the Group's exposure to foreign exchange movements by carefully managing the timing of the conversion of foreign currency into sterling denomination to the United Kingdom.

The Group's surplus funds are held primarily in short term fixed rate deposit accounts. The Directors believe that this gives them the flexibility to release cash resources at short notice and also allows them to take advantage of changing conditions in the financial markets as they arise.

Going concern

After reviewing the Company's and Group's forecasts and projections, the Directors have reasonable expectation that the Group, with the support of its ultimate parent, Onward Holdings Co. Limited, has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing the financial statements.

Trading outlook

The Board continue to assess the potential impact of the current economic landscape on an ongoing basis to ensure that the Group is in a position to promptly react to any threats that may occur or exploit any arising opportunities. Given the global reach of the Freed brand, the diversity of its supply chain, the UK location of its key resource, its people, the Board believe the Group is securely positioned to ensure its business continues profitably.

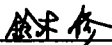
Economic impact of global events

UK businesses are currently facing many uncertainties such as the consequences of Brexit, Covid 19, environmental sustainability and geopolitical events such as the Russian invasion of Ukraine. These uncertainties have contributed to an environment where there exists a range of issues and risks, including inflation, rising interest rates, labour shortages, disrupted supply chains and new ways of working.

The Directors have carried out an assessment of the potential impact of these uncertainties on the business, including the impact of mitigation measures, and have concluded that these are non-adjusting events with the greatest impact on the business expected to be from the economic ripple effect on the global economy. The Directors have taken account of these potential impacts in their going concern assessment.

Freed of London Limited continues to work with its partners to minimise any impacts of these events and maximise the realisation of any opportunities they may provide to the business.

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


OSAMU suzuki (Nov 23, 2023 22:05 GMT+9)

O Suzuki
Director

Date: Nov 23, 2023

FREED OF LONDON LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their report and the financial statements for the year ended 31 December 2022.

Directors' responsibilities statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 ("FRS 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £237,347 (2021 - loss £357,343).

The Company did not pay any dividends during the year (2021 - £Nil).

Directors

The Directors who served during the year were:

S Garrard
A Ozbey
O Suzuki
J Viola

Future developments

The Board wish to continue to develop the Freed of London brand as the world's leading provider of pointe and dance shoes through the ongoing delivery of high end product and unparalleled excellence in customer service delivery. The Board are committed to continue the training and development of our people to ensure we remain at the cutting edge on innovation, design and manufacture in our field of expertise.

FREED OF LONDON LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Matters covered in the strategic report

As permitted by Paragraph 1A of Schedule 7 of the Large and Medium sized companies and groups (Accounts and reports) Regulations 2008 certain matters which are required to be disclosed in the director's report have been omitted as they are included in the strategic report on pages 1-2. These matters relate to the business review, principal risks and uncertainties and future developments.

Disclosure 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 the Directors are aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the Directors have taken all the steps that ought to have been taken as Directors in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Auditor

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

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


OSAMU Suzuki (Nov 23, 2023 22:05 GMT+9)

O Suzuki
Director

Date: Nov 23, 2023

FREED OF LONDON LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FREED OF LONDON LIMITED

Qualified Opinion - Group

We have audited the financial statements of Freed of London Limited and its subsidiaries (the 'Group') for the year ended 31 December 2022 which comprise the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated statement of cash flows, the consolidated analysis of net funds 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion - Group" section of our report, the financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion - Parent Company

We have audited the financial statements of Freed of London Limited (the 'Parent Company') for the year ended 31 December 2022 which comprise the Company balance sheet, the Company statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Parent Company's affairs as at 31 December 2022;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for Qualified Opinion – Group

In respect of one of the Parent Company's subsidiary undertakings, Freed of London Paris SAS, we were unable to obtain sufficient appropriate audit evidence regarding the opening stock for that Company which contributed £162,424 to opening group stock as at 1 January 2022. As a consequence of these limitations on our work we were also unable to obtain sufficient appropriate audit evidence regarding the reported value of cost of sales for the Group for the period ended 31 December 2022.

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 qualified opinion.

FREED OF LONDON LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FREED OF LONDON LIMITED

Basis for opinion - Parent Company

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 Group and the Parent 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 Group's and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

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

As described in the Basis for Qualified Opinion – Group section of our report, we were unable to satisfy ourselves concerning the valuation of opening stock as at 1 January 2022 in a subsidiary undertaking with a value of £162,424 and as a consequence the reported value of group cost of sales for the year ended 31 December 2022. We have concluded that where the other information refers to cost of sales or opening stock balances, it may be materially misstated for the same reason.

Opinions on other matters prescribed by the Companies Act 2006

Except for the possible effects of the matter described in the Basis for Qualified Opinion – Group section of our report, 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.

FREED OF LONDON LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FREED OF LONDON LIMITED

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and the Parent 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.

Arising solely of the limitation on the scope of our work relating to the valuation of Group stock, as set out in the "Basis for Qualified Opinion - Group" section of our report:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

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 Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent 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 Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the Group and the Parent Company and their industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation and anti-money laundering regulation.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FREED OF LONDON LIMITED

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

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Group and the Parent Company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Group and the Parent Company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation and the Companies Act 2006.

In addition, we evaluated the Directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to stock valuation, revenue recognition (which we pinpointed to cut-off), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

FREED OF LONDON LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FREED OF LONDON LIMITED

Use of the audit report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body for our audit work, for this report, or for the opinions we have formed.

Stephen English

Stephen English (Senior Statutory Auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
6 Dominus Way
Meridian Business Park
Leicester
LE19 1RP

Date: Nov 23, 2023

FREED OF LONDON LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Turnover	4	9,765,985	7,791,594
Cost of sales		(4,872,750)	(4,366,234)
Gross profit		4,893,235	3,425,360
Distribution costs		(2,202,838)	(2,285,231)
Administrative expenses		(2,334,138)	(2,137,398)
Other operating income	5	18,340	728,350
Operating profit/(loss)	6	374,599	(268,919)
Interest receivable and similar income	9	5,667	359
Interest payable and expenses	10	(23,302)	(23,244)
Profit/(loss) before taxation		356,964	(291,804)
Tax on profit/(loss)	11	(119,617)	(65,539)
Profit/(loss) for the financial year		237,347	(357,343)
Foreign currency translation movements on overseas investments		1,663	(8,537)
Other comprehensive income/(loss) for the year		1,663	(8,537)
Total comprehensive income/(loss) for the year		239,010	(365,880)
Total comprehensive income/(loss) for the year attributable to:			
Owners of the parent Company		239,010	(365,880)
		239,010	(365,880)

The notes on pages 17 to 33 form part of these financial statements.

FREED OF LONDON LIMITED
REGISTERED NUMBER: 02693052

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	4,592,601	4,642,980
Investments	14	10,640	10,640
		<u>4,603,241</u>	<u>4,653,620</u>
Current assets			
Stocks	15	2,388,453	2,068,064
Debtors	16	982,702	1,166,989
Cash at bank and in hand	17	2,881,232	2,818,567
		<u>6,252,387</u>	<u>6,053,620</u>
Creditors: amounts falling due within one year	18	(2,937,486)	(3,147,725)
Net current assets		<u>3,314,901</u>	<u>2,905,895</u>
Total assets less current liabilities		<u>7,918,142</u>	<u>7,559,515</u>
Deferred taxation	19	(135,314)	(15,697)
		<u>(135,314)</u>	<u>(15,697)</u>
Net assets		<u><u>7,782,828</u></u>	<u><u>7,543,818</u></u>
Capital and reserves			
Called up share capital	20	4,677,945	4,677,945
Share premium account	21	4,411,397	4,411,397
Profit and loss account	21	(1,306,514)	(1,545,524)
Equity attributable to owners of the Parent Company		<u>7,782,828</u>	<u>7,543,818</u>
		<u><u>7,782,828</u></u>	<u><u>7,543,818</u></u>

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


OSAMU Suzuki (Nov 23, 2023 22:05 GMT+9)

O Suzuki
Director

Date: Nov 23, 2023

The notes on pages 17 to 33 form part of these financial statements.

FREED OF LONDON LIMITED
REGISTERED NUMBER: 02693052

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	4,544,792	4,579,900
Investments	14	1	1
		<u>4,544,793</u>	<u>4,579,901</u>
Current assets			
Stocks	15	2,230,156	1,905,640
Debtors	16	934,922	1,020,723
Cash at bank and in hand	17	2,724,316	2,704,456
		<u>5,889,394</u>	<u>5,630,819</u>
Creditors: amounts falling due within one year	18	(2,850,390)	(3,065,702)
Net current assets		<u>3,039,004</u>	<u>2,565,117</u>
Total assets less current liabilities		<u>7,583,797</u>	<u>7,145,018</u>
Deferred taxation	19	(135,314)	(15,697)
		<u>(135,314)</u>	<u>(15,697)</u>
Net assets		<u><u>7,448,483</u></u>	<u><u>7,129,321</u></u>
Capital and reserves			
Called up share capital	20	4,677,945	4,677,945
Share premium account	21	4,411,397	4,411,397
Profit and loss account brought forward		(1,960,021)	(1,788,028)
Profit/(loss) for the year		319,162	(171,993)
		<u>319,162</u>	<u>(171,993)</u>
Profit and loss account carried forward		(1,640,859)	(1,960,021)
		<u><u>7,448,483</u></u>	<u><u>7,129,321</u></u>

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


 OSAMU Suzuki (Nov 23, 2023 22:05 GMT+9)

O Suzuki
 Director

Date: Nov 23, 2023

The notes on pages 17 to 33 form part of these financial statements.

FREED OF LONDON LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2022	4,677,945	4,411,397	(1,545,524)	7,543,818
Profit for the year	-	-	237,347	237,347
Currency translation on investment in a foreign branch	-	-	1,663	1,663
At 31 December 2022	4,677,945	4,411,397	(1,306,514)	7,782,828

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2021	4,677,945	4,411,397	(1,179,644)	7,909,698
Loss for the year	-	-	(357,343)	(357,343)
Currency translation on investment in a foreign branch	-	-	(8,537)	(8,537)
At 31 December 2021	4,677,945	4,411,397	(1,545,524)	7,543,818

The notes on pages 17 to 33 form part of these financial statements.

FREED OF LONDON LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2022	4,677,945	4,411,397	(1,960,021)	7,129,321
Profit for the year	-	-	319,162	319,162
At 31 December 2022	4,677,945	4,411,397	(1,640,859)	7,448,483

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2021	4,677,945	4,411,397	(1,788,028)	7,301,314
Loss for the year	-	-	(171,993)	(171,993)
At 31 December 2021	4,677,945	4,411,397	(1,960,021)	7,129,321

The notes on pages 17 to 33 form part of these financial statements.

FREED OF LONDON LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 £	2021 £
Cash flows from operating activities		
Profit/(loss) for the financial year	237,347	(357,343)
Adjustments for:		
Depreciation of tangible assets	226,597	188,217
Loss on disposal of tangible assets	-	9,475
Interest paid	23,302	23,244
Interest received	(5,667)	(359)
Taxation charge	119,617	65,539
(Increase)/decrease in stocks	(320,389)	513,991
Decrease in debtors	185,800	720,821
Increase/(decrease) in creditors	137,170	(511,327)
Corporation tax (paid)/received	(1,513)	107,625
Foreign currency movements	(61,682)	(153,487)
Net cash generated from operating activities	540,582	606,396
Cash flows from investing activities		
Purchase of tangible fixed assets	(171,107)	(50,721)
Interest received	5,667	359
Net cash used in investing activities	(165,440)	(50,362)
Cash flows from financing activities		
Interest paid	(4,557)	(23,244)
(Payment)/receipt of parent company loan	(307,920)	645,829
Net cash (used in)/generated from financing activities	(312,477)	622,585
Net increase in cash and cash equivalents	62,665	1,178,619
Cash and cash equivalents at beginning of year	2,818,567	1,639,948
Cash and cash equivalents at the end of year	2,881,232	2,818,567
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,881,232	2,818,567

The notes on pages 17 to 33 form part of these financial statements.

FREED OF LONDON LIMITED

**CONSOLIDATED ANALYSIS OF NET FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	At 1 January 2022 £	Cash flows £	Other non- cash changes £	At 31 December 2022 £
Cash at bank and in hand	2,818,567	62,665	-	2,881,232
Loan from parent undertaking	(2,571,494)	307,920	39,759	(2,223,815)
	<u>247,073</u>	<u>370,585</u>	<u>39,759</u>	<u>657,417</u>

The notes on pages 17 to 33 form part of these financial statements.

FREED OF LONDON LIMITED

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

1. General information

Freed of London Limited is a private limited Company, limited by shares, and is registered in England.

Its registered office address is 62/64 Well Street, London, E9 7PX. Its Company registered number is 02693052.

The principal activity of the Group and Company continued to be the design, manufacture and distribution of professional dance shoes.

The financial statements have been presented in Pound Sterling (£) as this is currency of the primary economic environment in which the Group and Company operates and is rounded to the nearest pound.

The following principal accounting policies have been applied:

2. Accounting policies

2.1 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 ("FRS 102"), the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements.

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

2.3 Basis of consolidation

The financial statements consolidate the accounts of Freed of London Limited and all of its subsidiary undertakings ('subsidiaries') using the acquisition method of accounting.

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

2. Accounting policies (continued)

2.4 Going concern

After reviewing the Company's and Group's forecasts and projections, the Directors have reasonable expectation that the Group, with the support of its ultimate parent, Onward Holdings Co. Limited, has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing the financial statements.

2.5 Foreign currency translation

The Group's functional and presentational currency is Pound Sterling (£).

The statement of comprehensive income of the overseas subsidiary undertakings are translated into sterling at average rates of exchange prevailing during the period, or the period of ownership if acquired during the period. The net assets are translated into sterling at rates of exchange ruling at the end of the financial period with the difference on exchange being recorded as a reserve movement. The monetary assets and liabilities denominated in foreign currencies are translated at period end rates and the exchange differences recognised in the consolidated statement of comprehensive income.

Branch assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the end of the financial period. Branch trading results denominated in foreign currencies are translated into sterling at average rates of exchange prevailing during the period. Differences on exchange arising from the retranslation of the opening net investment in overseas branches and the differences between the statement of comprehensive income translated at an average rate and at the closing rate, are taken to reserves and are reported in the consolidated statement of comprehensive income. All other foreign exchange differences are taken to the consolidated statement of comprehensive income in the period in which they arise.

Trading transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transactions. Assets and liabilities at the balance sheet date are translated at the period end rates of exchange. All exchange differences arising are taken to the consolidated statement of comprehensive income in the period in which they arise.

2.6 Turnover

Turnover is derived from the distribution of professional dance wear and shoes via online sales and retail outlets. Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

The Group recognises turnover when control of the goods is transferred to the customer, which is generally on collection or delivery depending on the terms of the sale.

2.7 Operating leases

Rental income from operating leases is credited to the consolidated statement of comprehensive income on a straight line basis over the term of the relevant lease.

Rentals paid under operating leases are charged to the consolidated statement of comprehensive income on a straight line basis over the lease term.

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

2. Accounting policies (continued)

2.8 Government grants

The UK government has offered a range of financial support packages to help companies, including government backed financing arrangements, furlough schemes and deferment of VAT payments. Of the offered schemes, the Company used the furlough scheme in the prior year. The income from the furlough scheme was recognised within 'Other operating income'. It is recognised when the entity has reasonable assurance that they will comply with the conditions attaching the grant, and that the grant will be received.

2.9 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

The assets of the scheme are held separately from those of the Group. The annual contributions payable are charged to the consolidated statement of comprehensive income.

2.10 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

2.11 Goodwill

Goodwill represents the excess of the fair value of the consideration of an acquisition over the fair value of the Group's or Company's share of the net identifiable assets of the business acquired at the date of acquisition. Identifiable assets are those which can be sold separately or which arise from legal rights regardless of whether those right are separable.

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the balance sheet and amortised over its estimated useful life of 10 years. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

2.12 Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, evenly over their expected useful lives on the following basis:

Freehold property	- 50 years
Leasehold property	- Over the shorter of the lease term or 25 years
Plant & machinery	- 5-10 years
Fixtures & fittings	- 1-7 years

Land is not depreciated.

2.13 Valuation of investments

Investments are recorded at cost less any provision for impairment.

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

2. Accounting policies (continued)

2.14 Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost is determined on a first in first out basis and includes transport and handling costs. In the case of manufactured products, cost includes all direct expenditure and production overheads based on a normal level of activity. Provision is made, where necessary, for obsolete, slow moving and defective stocks.

Work in progress is valued on the basis of direct costs plus attributable overheads based on a normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

2.15 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.16 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.

2.17 Creditors

Short term creditors are measured at the transaction price.

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the consolidated statement of comprehensive income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are made, they are charged to the provision carried in the balance sheet.

2.19 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the consolidated statement of comprehensive income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

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

2. Accounting policies (continued)

2.20 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated statement of comprehensive income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The Members make estimates and assumptions concerning the future, they are also required to exercise judgement in the process of applying the Group's accounting policies. 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.

The following are the key sources of estimation uncertainty that the Directors have made in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

• Stock provisioning

Management review the market value of and demand for the Group's stock on a periodic basis to ensure stock is recorded in the financial statements at the lower of cost and net realisable value. Any provision for impairment is recorded against the carrying value of stocks. Management use their knowledge of market conditions, historical experiences and estimates of future events to assess future demand for the Group's products and achievable selling prices.

FREED OF LONDON LIMITED

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

4. Turnover

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	2,194,247	1,711,442
USA	4,686,370	3,508,836
Rest of the World	2,885,368	2,571,316
	<u>9,765,985</u>	<u>7,791,594</u>

5. Other operating income

	2022 £	2021 £
CJRS income	-	553,183
Other income	18,340	175,167
	<u>18,340</u>	<u>728,350</u>

6. Operating profit/(loss)

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

	2022 £	2021 £
Depreciation of tangible fixed assets	226,597	188,217
Foreign currency retranslation differences	(430,906)	(209,679)
Auditor's remuneration - audit	52,000	52,595
Loss on disposal of tangible fixed assets	-	9,475
Operating lease rentals	238,338	230,183
Exceptional property lease exit costs	-	302,100
	<u>-</u>	<u>302,100</u>

During the prior year, the Group incurred exceptional costs of £302,100 in connection with one off expenses on the early exit from a property lease.

FREED OF LONDON LIMITED

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

7. Employees

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

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	4,845,866	4,330,424	4,723,309	4,226,569
Social security costs	453,064	375,635	434,342	369,993
Cost of defined contribution scheme	138,398	133,228	134,285	129,218
	<u>5,437,328</u>	<u>4,839,287</u>	<u>5,291,936</u>	<u>4,725,780</u>

The average monthly number of employees, including the Directors, during the year was as follows:

	Group 2022 No.	Group 2021 No.	Company 2022 No.	Company 2021 No.
Production	121	114	121	114
Distribution	22	26	22	26
Administration	25	25	20	21
	<u>168</u>	<u>165</u>	<u>163</u>	<u>161</u>

8. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	597,970	516,877
Company contributions to defined contribution pension scheme	29,433	30,477
	<u>627,403</u>	<u>547,354</u>

During the year retirement benefits were accruing to 3 Directors (2021 - 3) in respect of defined contribution pension schemes.

The highest paid Director received remuneration, excluding pension contributions, of £302,257 (2021 - £239,543) during the year.

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £17,235 (2021 - £18,732) during the year.

The Group's key management personnel are its Directors.

FREED OF LONDON LIMITED

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

9. Interest receivable

	2022 £	2021 £
Bank interest receivable	5,667	359

10. Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	4,827	2,886
Interest payable on loans from group undertakings	18,475	20,358
	<u>23,302</u>	<u>23,244</u>

11. Taxation

	2022 £	2021 £
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	119,617	65,539
Total deferred tax	<u>119,617</u>	<u>65,539</u>
Taxation on profit/loss on ordinary activities	<u>119,617</u>	<u>65,539</u>

FREED OF LONDON LIMITED

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

11. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is different to the expected rate of corporation tax. The differences are explained below:

	2022 £	2021 £
Profit/(loss) on ordinary activities before tax	357,705	(291,804)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	67,964	(55,443)
Effects of:		
Expenses not deductible for tax purposes	(8,709)	3,138
Fixed asset timing differences	(1,268)	21,233
Remeasurement of deferred tax for changes in tax rates	25,980	(168,292)
Tax losses created	35,650	264,903
Total tax charge for the year	119,617	65,539

Factors that may affect future tax charges

The Group has tax losses of approximately £3m (2021 - £2.9m) available to offset against future trading profits.

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%.

FREED OF LONDON LIMITED

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

12. Intangible assets**Group**

	Goodwill £
Cost	
At 1 January 2022	541,884
At 31 December 2022	<u>541,884</u>
Amortisation	
At 1 January 2022	541,884
At 31 December 2022	<u>541,884</u>
Net book value	
At 31 December 2022	<u>-</u>
At 31 December 2021	<u>-</u>

FREED OF LONDON LIMITED

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

13. Tangible fixed assets**Group**

	Freehold property £	Leasehold property £	Plant & machinery £	Fixtures & fittings £	Total £
Cost					
At 1 January 2022	4,264,660	1,274,389	1,765,878	2,738,245	10,043,172
Additions	46,445	-	91,864	32,798	171,107
Exchange adjustments	-	68,358	11,049	121,016	200,423
At 31 December 2022	<u>4,311,105</u>	<u>1,342,747</u>	<u>1,868,791</u>	<u>2,892,059</u>	<u>10,414,702</u>
Depreciation					
At 1 January 2022	245,216	1,224,420	1,762,232	2,168,324	5,400,192
Charge for the year	71,067	1,523	87,156	66,851	226,597
Exchange adjustments	-	66,603	10,203	118,506	195,312
At 31 December 2022	<u>316,283</u>	<u>1,292,546</u>	<u>1,859,591</u>	<u>2,353,681</u>	<u>5,822,101</u>
Net book value					
At 31 December 2022	<u>3,994,822</u>	<u>50,201</u>	<u>9,200</u>	<u>538,378</u>	<u>4,592,601</u>
At 31 December 2021	<u>4,019,444</u>	<u>49,969</u>	<u>3,646</u>	<u>569,921</u>	<u>4,642,980</u>

FREED OF LONDON LIMITED

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

13. Tangible fixed assets (continued)**Company**

	Freehold property £	Leasehold property £	Plant & machinery £	Fixtures & fittings £	Total £
Cost					
At 1 January 2022	4,264,660	219,790	2,067,121	2,263,601	8,815,172
Additions	46,445	-	91,864	29,439	167,748
Exchange adjustments	-	23,709	-	61,205	84,914
At 31 December 2022	<u>4,311,105</u>	<u>243,499</u>	<u>2,158,985</u>	<u>2,354,245</u>	<u>9,067,834</u>
Depreciation					
At 1 January 2022	245,216	218,268	1,901,385	1,870,403	4,235,272
Charge for the year	71,067	1,523	66,851	65,373	204,814
Exchange adjustments	-	23,708	-	59,248	82,956
At 31 December 2022	<u>316,283</u>	<u>243,499</u>	<u>1,968,236</u>	<u>1,995,024</u>	<u>4,523,042</u>
Net book value					
At 31 December 2022	<u>3,994,822</u>	<u>-</u>	<u>190,749</u>	<u>359,221</u>	<u>4,544,792</u>
At 31 December 2021	<u>4,019,444</u>	<u>1,522</u>	<u>165,736</u>	<u>393,198</u>	<u>4,579,900</u>

FREED OF LONDON LIMITED

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

14. Fixed asset investments**Group****Investments in
unlisted
investments
£****Cost**

At 1 January 2022 10,640

At 31 December 2022 10,640

Net book value

At 31 December 2022 10,640

At 31 December 2021 10,640

Company**Investments
in subsidiary
undertakings
£****Cost**

At 1 January 2022 1,276,744

At 31 December 2022 1,276,744

Impairment

At 1 January 2022 1,276,743

At 31 December 2022 1,276,743

Net book value

At 31 December 2022 1

At 31 December 2021 1

FREED OF LONDON LIMITED

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

14. Fixed asset investments (continued)**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Freed of London Paris SAS	Distributor and retailer of dance shoes	Ordinary	100%
Freed USA Inc	Non-trading	Ordinary	100%

The registered office of Freed of London Paris SAS is 12 Rue de Clichy, 75009 Paris, France.

The registered office of Freed USA Inc is Suite 302, 44-01 21 Street, Long Island City, NY 11101, USA.

15. Stocks

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Raw materials	639,672	556,716	639,672	556,716
Work in progress	407,706	287,058	407,706	287,058
Finished goods and goods for resale	1,341,075	1,224,290	1,182,778	1,061,866
	<u>2,388,453</u>	<u>2,068,064</u>	<u>2,230,156</u>	<u>1,905,640</u>

16. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade debtors	729,764	843,471	719,492	815,753
Other debtors	84,107	161,381	46,599	42,833
Prepayments and accrued income	154,267	149,086	154,267	149,086
Tax recoverable	14,564	13,051	14,564	13,051
	<u>982,702</u>	<u>1,166,989</u>	<u>934,922</u>	<u>1,020,723</u>

FREED OF LONDON LIMITED

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

17. Cash and cash equivalents

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Cash at bank and in hand	2,881,232	2,818,567	2,724,316	2,704,456

18. Creditors: amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade creditors	312,263	187,002	300,278	169,013
Amounts owed to group undertakings	2,154,854	2,505,640	2,154,854	2,505,640
Other taxation and social security	82,051	88,523	82,051	88,523
Other creditors	132,570	110,803	96,625	84,009
Accruals and deferred income	255,748	255,757	216,582	218,517
	<u>2,937,486</u>	<u>3,147,725</u>	<u>2,850,390</u>	<u>3,065,702</u>

Included within amounts owed to group undertakings are loans due to the parent undertaking of £2,223,815 (2021 - £2,571,494) which are unsecured, repayable on demand and attract interest at 1% per annum.

19. Deferred taxation**Group**

	2022 £	2021 £
At beginning of the year	(15,697)	49,842
Charged to profit or loss	(119,617)	(65,539)
At end of the year	<u>(135,314)</u>	<u>(15,697)</u>

FREED OF LONDON LIMITED

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

19. Deferred taxation (continued)

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Fixed asset timing differences	(150,476)	(136,722)	(150,476)	(136,722)
Short term timing differences	15,162	121,025	15,162	121,025
	<u>(135,314)</u>	<u>(15,697)</u>	<u>(135,314)</u>	<u>(15,697)</u>

20. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
4,677,945 (2021 - 4,677,945) Ordinary shares of £1 each	<u>4,677,945</u>	<u>4,677,945</u>

21. Reserves**Share premium account**

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Profit & loss account

The profit and loss account represents profits and losses retained in the current and previous years.

22. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £138,398 (2021 - £133,228) for the year. At the year end, unpaid contributions amounted to £6,770 (2021 - £5,305).

FREED OF LONDON LIMITED

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

23. Commitments under operating leases

At 31 December 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Not later than 1 year	239,087	229,568	239,087	229,568
Later than 1 year and not later than 5 years	388,002	535,560	388,002	535,560
Later than 5 years	181,250	256,250	181,250	256,250
	<u>808,339</u>	<u>1,021,378</u>	<u>808,339</u>	<u>1,021,378</u>

24. Related party transactions

The Group has taken advantage of the exemption conferred by Section 33 of Financial Reporting Standard 102 "Related Party Disclosures" not to disclose transactions with other group entities whose voting rights are 100% controlled within the group.

Freed of London Paris SAS (formerly Attitude Diffusion SAS) is not consolidated into the Group results of Onward Holdings Co. Limited. Freed of London Paris SAS has no transactions with any members of the Onward Holdings Co. Limited group other than those with its parent undertaking, Freed of London Limited, which have been eliminated on consolidation in these financial statements.

25. Immediate and ultimate parent undertaking

The Directors regard Chacott Co, Ltd, a Company registered in Japan, as the immediate parent undertaking.

The Directors regard Onward Holdings Co. Limited, a Company registered in Japan, as the ultimate parent undertaking. Copies of its consolidated financial statements may be obtained from Onward Park Building 10-5, Nihonbashi 3-Chome, Chuo-Ku, Tokyo 103-8239, Japan. This is the only Group in which the Company's results are consolidated.

26. Controlling party

The Directors consider there to be no individual ultimate controlling party.