

Company number: 04926894



Walkwear Limited

Report and Financial Statements

Year ended 31 December 2018

WALKWEAR LIMITED

Annual report and financial statements for the year ended 31 December 2018

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WALKWEAR LIMITED

Company details

Directors

Nina Barough CBE
David Adams

Secretary

Benjamin James

Registered office

Kemp House
152 City Road
London,
EC1V 2NX

Company Number

04926894

Auditor

RSM UK Audit LLP
Davidson House
Forbury Square
Reading
RG1 3EU

WALKWEAR LIMITED

Report of the directors for the year ended 31 December 2018

The directors present their report together with the audited financial statements for the year ended 31 December 2018.

Principal activities and review of business

The results of the business activities of the company are set out in the attached financial statements. The company made an operating profit of £2,818 (2017: profit £47,321) in the year. The directors regard these results as satisfactory. The principal activity of the company during the year was the production of a range of merchandise and the operation of an online shop in aid of Walk the Walk Worldwide, its parent charity, which is a registered Scottish incorporated charity (number SC029572).

Dividend

The directors do not recommend the payment of a dividend.

Directors

The directors who served during the year, and who do not have a beneficial interest in the company's share capital were:

Nina Barough CBE
David Adams

Going concern

As detailed more fully in accounting policies note 1c, no material uncertainties that may cast significant doubt upon the ability of the company to continue as a going concern have been identified by the directors.

Statement of directors' responsibilities

The directors are responsible for preparing the Report of the Directors 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 (UK Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

WALKWEAR LIMITED

Report of the directors for the year ended 31 December 2018

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.

Insofar as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Parent undertaking

The total issued share capital of the company is held by Walk the Walk Worldwide, a company limited by guarantee (registered in Scotland, number SC201169) and a registered Scottish charity (number SC029572).

Auditor

RSM UK Audit LLP have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act 2006 it is proposed that they be re-appointed auditor for the ensuing year.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Approved and signed on behalf of the Directors



David Adams
Director

Date: 19 September 2019

WALKWEAR LIMITED

Independent auditor's report to the Members of Walkwear Limited

Opinion

We have audited the financial statements of Walkwear Limited (the 'company') for the year ended 31 December 2018 which comprise the profit and loss account, the balance sheet 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 company's affairs as at 31 December 2018 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.

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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. 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.

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

WALKWEAR LIMITED

Independent auditor's report to the Members of Walkwear Limited

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2 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.

WALKWEAR LIMITED

Independent auditor's report to the Members of Walkwear Limited

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

Auditor's responsibilities for the audit of the financial statements

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

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

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.

RSM UK Audit LLP

KERRY GALLAGHER (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Davidson House, Forbury Square
Reading, Berkshire
RG1 3EU

20 September 2019

WALKWEAR LIMITED

Profit and loss account for the year ended 31 December 2018

	Note	2018	2017
		£	£
Turnover		170,677	178,770
Cost of sales		(83,086)	(52,190)
Gross profit		87,591	126,580
Other income - interest		81	4
Other operating charges	2	(81,275)	(75,438)
Operating profit		6,397	51,146
Interest payable		(3,579)	(3,825)
Profit on ordinary activities before taxation		2,818	47,321
Taxation on ordinary activities	11	-	-
Profit on ordinary activities after taxation		2,818	47,321
Retained profit for the financial year	8	2,818	47,321

All amounts relate to continuing activities.

WALKWEAR LIMITED

Balance Sheet at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible Assets	3	10,122	20,242
Tangible Assets	4	-	-
		<hr/>	<hr/>
Current assets			
Stock		63,682	108,989
Debtors	5	9,874	6,763
Cash at bank		105,322	3,553
		<hr/>	<hr/>
		178,878	119,305
		<hr/>	<hr/>
Creditors: amounts falling due within one year	6	(262,468)	(215,833)
		<hr/>	<hr/>
Net current liabilities		(83,590)	(96,528)
		<hr/>	<hr/>
Creditors: amounts falling due after one year		-	-
		<hr/>	<hr/>
Net liabilities		(73,468)	(76,286)
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	7	1	1
Profit and loss account	8	(73,469)	(76,287)
		<hr/>	<hr/>
Equity shareholders' funds		(73,468)	(76,286)
		<hr/>	<hr/>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the directors and authorised for issue on 19 September 2019



David Adams
Director

Company registration number: 04926894

WALKWEAR LIMITED

Notes to the financial statements for the year ended 31 December 2018

1. Accounting policies

a. Company information

Walkwear Limited is a private company limited by shares incorporated in England and Wales. The registered office is Kemp House, 152 City Road, London, EC1V 2NX.

The company's principal activities are disclosed in the Directors' report.

b. Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies' regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

c. Going concern

It is not the parent company's current intention to seek repayment of the intercompany balances including the intercompany loan for a period of not less than one year from the date of approval of the financial statements, unless the company has sufficient funds to repay without jeopardising its going concern status. The cash flow forecasts prepared by senior management show that the company will have positive cash flows for at least 12 months from the date these financial statements are approved. The Directors therefore consider that the company has sufficient funds to meet its obligations as it falls due and deems it appropriate that the financial statements are produced on a going concern basis.

d. Turnover

The turnover shown in the profit and loss account represents the value of merchandise sold to customers during the year, exclusive of Value Added Tax.

e. Expenditure

Expenditure is accounted for on an accruals basis and is stated net of Value Added Tax.

f. Tangible fixed assets & depreciation

Individual tangible fixed assets costing £100 or more are capitalised at cost and depreciated.

Depreciation is provided by the straight line method, calculated to write off assets over their estimated useful lives at the following rates:

Computer equipment & website development	over three years
Furniture and fittings	over four years

g. Intangible fixed assets and amortisation

Intangible fixed assets comprise the capitalisation of website development costs to provide use over a number of accounting periods. Such costs are to be amortised on a straight-line basis over three years.

h. Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

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

i. Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

j. Basic financial liabilities

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

k. Stocks

Stock held relates to merchandise held for resale. Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

l. Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to the profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

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Notes to the financial statements for the year ended 31 December 2018

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax, or a right to pay less tax, or a right to receive repayments of tax.

Deferred tax assets are recognised only to the extent that the directors consider it more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

2. Other operating charges

	2018 £	2017 £
Other operating charges include:		
Depreciation	10,119	10,119
	<hr/>	<hr/>

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Notes to the financial statements for the year ended 31 December 2018

3. Intangible Fixed assets

	Website Development £
Cost or valuation	
At 1 January 2018	30,361
Additions at cost	-
Disposals	-
As at 31 December 2018	30,361
Accumulated depreciation	
At 1 January 2018	10,119
Charge for year	10,119
Disposals	-
As at 31 December 2018	20,238
Net book value	
At 31 December 2018	10,122
At 31 December 2017	20,242

4. Tangible Fixed Assets

	Furniture & fittings £
Cost or valuation	
At 1 January 2018	3,985
Additions at cost	-
Disposals	-
As at 31 December 2018	3,985
Accumulated depreciation	
At 1 January 2018	3,985
Charge for year	-
Disposals	-
As at 31 December 2018	3,985
Net book value	
At 31 December 2018	-
At 31 December 2017	-

WALKWEAR LIMITED

Notes to the financial statements for the year ended 31 December 2018

5. Debtors

	2018	2017
	£	£
Other debtors	9,874	6,763
	<u>9,874</u>	<u>6,763</u>

6. Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	52,988	29,382
Loan from parent undertaking	128,247	152,804
Amount due to group undertaking	65,404	19,082
Other creditors and accruals	15,829	15,455
Social security and other taxes	-	(890)
	<u>262,468</u>	<u>215,833</u>

The parent charity, Walk the Walk Worldwide has made a loan facility of up to £350,000 available. Interest is payable at 1.5% above base rate and the loan is secured by a fixed and floating charge over the company's assets. The facility and accrued interest is repayable at any time on demand. The loan agreement has been renewed during 2018.

7. Share capital

	2018	2017
	£	£
Authorised		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
1 ordinary share of £1	<u>1</u>	<u>1</u>

WALKWEAR LIMITED

Notes to the financial statements for the year ended 31 December 2018

8. Reconciliation of movements in reserves

	Share capital £	Profit and loss £	2018 £	2017 £
Opening reserves/(deficit)	1	(76,287)	(76,286)	(123,607)
Retained profit for the year after taxation	-	2,818	2,818	47,321
Closing reserves/(deficit)	1	(73,469)	(73,468)	(76,286)

9. Parent information

The company is a wholly owned subsidiary undertaking of Walk the Walk Worldwide, a company limited by guarantee, (registered in Scotland number SC201169) and a registered Scottish charity, number SC029572.

Group financial statements are available from Walk the Walk, 6 Genesis Business Park, Albert Drive, Woking, Surrey GU21 5RW.

10. Related party transactions

The company has taken advantage of the exemption available in FRS 102 paragraph 33.1A, whereby it has not disclosed transactions with the ultimate parent company, or any wholly owned subsidiary undertaking of the group.

WALKWEAR LIMITED

Notes to the financial statements for the year ended 31 December 2018

11. Tax on (loss)/profit from ordinary activities

a) Analysis of charge in year

	2018 £	2017 £
UK Corporation tax on prior year profits	-	-
	-	-

b) Factors affecting tax charge for the year

The tax assessed for the year differs to the standard rate of corporation tax in the UK of 19% (2017: 20%), the differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>2,818</u>	<u>47,321</u>
Profit on ordinary activities multiplied by the standard rate of tax	535	9,465
Effects of:		
Capital allowances (more)/less than depreciation	-	(4,143)
Other tax adjustments	-	-
Losses brought forward	(535)	(5,322)
	<u>-</u>	<u>-</u>

The company has £19,425 (2017: £26,683) of tax losses carried forward.