

Fitzroy Apparel Limited
Annual Report and Consolidated Financial Statements
Year Ended 31 December 2021
Registration number: 08182566



Fitzroy Apparel Limited

Contents

Company Information	1
Strategic Report	2 to 3
Directors' Report	4 to 5
Statement of Directors' Responsibilities	6
Independent Auditor's Report	7 to 10
Consolidated Profit and Loss Account	11
Consolidated Balance Sheet	12
Balance Sheet	13
Consolidated Statement of Changes in Equity	14
Statement of Changes in Equity	15
Consolidated Statement of Cash Flows	16
Notes to the Financial Statements	17 to 37

Fitzroy Apparel Limited

Company Information

Directors	N D Evans
	T C Kay
	S N S Hill-Norton
	W L Sheane
	A Hughes
	Y Gairola
Registered office	Unit 6 Wheal Kitty Workshops St Agnes Cornwall TR5 0RD
Auditors	PKF Francis Clark Statutory Auditor North Quay House Sutton Harbour Plymouth Devon PL4 0RA

Fitzroy Apparel Limited

Strategic Report

Year Ended 31 December 2021

The directors present their strategic report for the year ended 31 December 2021.

Principal activity

The principal activity of the company is that of the design and sale of Finisterre branded, sustainable clothing and accessories.

Finisterre is a pioneering, direct-to-consumer outdoor brand, built to inspire a love of the sea and anchored in exceptional product. The innovative product range includes technical jackets, knitwear, shirts, swimwear and accessories. Finisterre is a B Corp certified business selling around the world through its website (www.finisterre.com) and 9 UK retail stores.

Finisterre's core values are Product, Environment and People.

Fair review of the business

The turnover for the year ended 31 December 2021 was £17,131,111 (2020: £10,906,198) and the profit for the year, after taxation, was £424,368 (2020: £161,657)

The coronavirus pandemic continued to impact businesses globally in 2021. It has impacted our global suppliers and, within the UK, lockdown restrictions impacted our bricks and mortar retail stores, which were forced to close again at the start of 2021. Our online channel has continued to grow as a result of an increase in online demand during the pandemic and a strong product offering which was particularly suited for outdoor activities. The company has taken advantage of the grants and other financial schemes that the UK government has introduced to support business during this time. This has led to 57% growth in sales in 2021. The increased sales meant that our existing warehouse no longer had the capacity for our requirements. Despite a long search for a larger location in Cornwall we were unable to find suitable premises and therefore we made the decision to partner with a third-party logistics provider for our warehousing and fulfilment services. This move will allow us to scale the business as required and will future proof our logistics operations working with a leader in the field. The move took place in October 2021 and following the transition we successfully delivered our peak sales.

We use a number of financial and non-financial key performance indicators to monitor the health of the company. These are reported daily, weekly, and monthly.

The group's key financial and other performance indicators during the year were as follows:

	Unit	2021	2020
Turnover	£k	17,131	10,906
Gross Profit Margin	%	53	55
Operating profit/(loss)	£k	552	211
Profit/(Loss) after tax	£k	424	162

Fitzroy Apparel Limited

Strategic Report

Year Ended 31 December 2021

Principal risks and uncertainties

The principal risks to the business are; financial risk (financial market risk and liquidity risk) and operational risk (economic risk, systems and business continuity risk, reputational risk and cyber risk)

The subsidiary Finisterre UK Limited designs clothing from its workshop in Wheal Kitty, Cornwall. We work with factories around the globe sourcing sustainable products, and we place orders up to 6 months before payment is required. This leaves us exposed to foreign exchange risk on these contracts. We enter into forward contracts to reduce our exposure to fluctuations in exchange rates on stock purchases.

The group has significant working capital requirements at key times in the year. We ensure that we have sufficient resources to meet our obligations as they fall due. We manage this with detailed cash flow forecasts and working with banks and other lenders to ensure that we have sufficient working capital when required.

The group is affected by the health of the economies in the territories in which it operates. During 2021 the majority of revenue was generated in the UK and so we are affected by the health of the UK economy. The expansion of the business to new markets as we scale internationally will help reduce this risk.

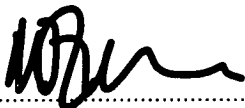
Our finished goods are purchased from factories around the world and delivered by third party logistic companies. Any problems throughout the supply chain would impact our ability to deliver product and result in lost revenue. Our team are in close contact with all suppliers and if, at any stage, we identify problems in the supply chain we will look at alternative methods to get our products to market or amend our offerings, both in-store and online to manage the impact of delivery delays.

The group is committed to make better and more sustainable products and is committed to making informed decisions about our impact on the environment. We ensure that the products we purchase and the suppliers we work with align with the standards we set for ourselves. We audit our suppliers to ensure that they follow best practice, and we ensure that we are always striving to improve our standards.

Cyber risk is the risk of a cyber-attack leading to damage to our reputation and trading performance. The risk is mitigated by controls and safeguards put in place by our technology team, along with cyber risk insurance, if we are unable to prevent a cyber event.

The group performed and continues to perform in line with the directors' expectations and we are confident that this will continue.

Approved by the Board on 17/06/2022 and signed on its behalf by:



N D Evans
Director

Fitzroy Apparel Limited

Directors' Report

Year Ended 31 December 2021

The directors present their report and the consolidated financial statements for the year ended 31 December 2021.

Directors of the group

The directors who held office during the year were as follows:

N D Evans

T C Kay

S N S Hill-Norton

W L Sheane

A Hughes

H F Blackman (resigned 5 February 2021)

Y Gairola (appointed 15 November 2021)

Financial instruments

Purchases of stock is done on a seasonal basis with orders placed months in advance of the product being supplied. To mitigate the risk of fluctuations in exchange rates on foreign currency stock purchases the group takes out forward contracts locking in the exchange rates for the future season's purchases.

Future developments

The group will continue to invest in innovative sustainable fabrics and manufacturing processes to ensure that Finisterre is a leader in sustainable fashion and the circular economy. The focus of the group will be to continue to grow its online business in the UK, to target key international markets and grow its online customer base while providing experiential retail experiences through its retail estate.

Going concern

The directors have prepared the financial statements on a going concern basis due to the fact that at the current time there are no material uncertainties in relation to going concern. The group was profitable and cash-generative in 2021 despite the ongoing impact of Covid-19 and at year end held £4.8m in cash. For further details please see the strategic report.

Post the financial year end there have been several factors affecting the UK economy including the cost of living crisis and the war in Ukraine. The Board acknowledges this represents some risk to trade in 2022 and continues to conduct rigorous sensitivity analyses for budgeting and managing working capital throughout the year. The directors ensure that the group has sufficient resources to meet its obligations as they fall due by working with banks and other lenders to ensure that the company has sufficient working capital when required.

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Fitzroy Apparel Limited

Directors' Report

Year Ended 31 December 2021

Approved by the Board on ~~17/06/2022~~ and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'N D Evans', written over a dotted line.

N D Evans
Director

Fitzroy Apparel Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and 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; 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.

Fitzroy Apparel Limited

Independent Auditor's Report to the Members of Fitzroy Apparel Limited

Opinion

We have audited the financial statements of Fitzroy Apparel Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021, which comprise the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, 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 group's and the parent company's affairs as at 31 December 2021 and of the group's profit for the year 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.

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 group 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 original financial statements were 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.

Fitzroy Apparel Limited

Independent Auditor's Report to the Members of Fitzroy Apparel Limited

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.

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our 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 and the Directors' Report.

We have nothing to report in respect of the following matters where 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; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, 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.

Fitzroy Apparel Limited

Independent Auditor's Report to the Members of Fitzroy Apparel Limited

Auditor's responsibilities for the audit of the financial statements

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

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:

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to acts by the company which were contrary to applicable laws and regulations, including fraud.

We considered those laws and regulations that have a direct impact on the preparation of the financial statements, including, but not limited to the reporting framework (FRS 102 and Companies Act 2006) and the relevant tax compliance regulations in the UK.

As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the entity's ability to continue operating and the risk of material misstatement to the accounts. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Reviewed legal and professional costs to identify legal costs in respect of non compliance;
- Enquiries with management whether there have been any known instances, allegations or suspicions of fraud or non compliance with laws and regulations;
- Review of board minutes or correspondence with regulators where available.

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 fraudulent financial reporting. Our procedures involved the following;

- Review of nominal journal entries for reasonableness;
- Review of significant accounting estimates for bias;
- Review of completeness of the sales return provision.

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. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

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

Fitzroy Apparel Limited

Independent Auditor's Report to the Members of Fitzroy Apparel Limited

Use of our report

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



.....
Duncan Leslie (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

North Quay House
Sutton Harbour
Plymouth
Devon
PL4 0RA

Date: 21/06/2022
.....

Fitzroy Apparel Limited

Consolidated Profit and Loss Account

Year Ended 31 December 2021

	Note	2021 £	2020 £
Turnover	3	17,131,111	10,906,198
Cost of sales		<u>(8,080,010)</u>	<u>(4,936,640)</u>
Gross profit		9,051,101	5,969,558
Administrative expenses		(8,804,859)	(6,109,332)
Other operating income	4	<u>306,197</u>	<u>350,926</u>
Operating profit	5	<u>552,439</u>	<u>211,152</u>
Other interest receivable and similar income	9	-	4,412
Interest payable and similar expenses	10	<u>(77,862)</u>	<u>(108,342)</u>
		<u>(77,862)</u>	<u>(103,930)</u>
Profit before tax		474,577	107,222
Tax on profit	11	<u>(50,209)</u>	<u>54,435</u>
Profit for the financial year		<u>424,368</u>	<u>161,657</u>
Profit/(loss) attributable to:			
Owners of the company		<u>424,368</u>	<u>161,657</u>

The notes on pages 17 to 37 form an integral part of these financial statements.

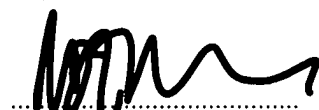
Fitzroy Apparel Limited

Consolidated Balance Sheet

31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	12	215,362	35,742
Tangible assets	13	<u>355,761</u>	<u>457,063</u>
		<u>571,123</u>	<u>492,805</u>
Current assets			
Stocks	15	4,164,046	1,060,821
Debtors	16	871,711	953,093
Cash at bank and in hand		<u>4,791,731</u>	<u>5,712,424</u>
		9,827,488	7,726,338
Creditors: Amounts falling due within one year	18	<u>(4,903,728)</u>	<u>(3,425,919)</u>
Net current assets		<u>4,923,760</u>	<u>4,300,419</u>
Total assets less current liabilities		5,494,883	4,793,224
Provisions for liabilities	21	<u>(426,375)</u>	<u>(201,761)</u>
Net assets		<u>5,068,508</u>	<u>4,591,463</u>
Capital and reserves			
Called up share capital	24	134,515	131,389
Share premium reserve		7,103,362	7,103,362
Share option reserve		52,212	2,661
Other reserves		4,722,300	4,722,300
Profit and loss account		<u>(6,943,881)</u>	<u>(7,368,249)</u>
Equity attributable to owners of the company		<u>5,068,508</u>	<u>4,591,463</u>
Shareholders' funds		<u>5,068,508</u>	<u>4,591,463</u>

Approved and authorised by the Board on 17/06/2022 and signed on its behalf by:



N D Evans
Director

Company Registration Number: 08182566

Fitzroy Apparel Limited


Balance Sheet

31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	14	4,824,544	4,774,993
Creditors: Amounts falling due within one year	18	<u>(44,485)</u>	<u>(22,498)</u>
Net assets		<u>4,780,059</u>	<u>4,752,495</u>
Capital and reserves			
Called up share capital	24	134,515	131,389
Share premium reserve		7,103,362	7,103,362
Share option reserve		52,212	2,661
Other reserves		4,722,300	4,722,300
Profit and loss account		<u>(7,232,330)</u>	<u>(7,207,217)</u>
Shareholders' funds		<u>4,780,059</u>	<u>4,752,495</u>

The company made a loss after tax for the financial year of £25,113 (2020 - loss of £6,978,427).

Approved and authorised by the Board on 17/06/2022 and signed on its behalf by:


.....
N D Evans
Director

Company Registration Number: 08182566

Fitzroy Apparel Limited

Consolidated Statement of Changes in Equity

Year Ended 31 December 2021

	Share capital £	Share premium £	Share option reserve £	Other reserves £	Profit and loss account £	Total £
At 1 January 2021	131,389	7,103,362	2,661	4,722,300	(7,368,249)	4,591,463
Profit for the year	-	-	-	-	424,368	424,368
Total comprehensive income	-	-	-	-	424,368	424,368
New share capital subscribed	3,126	-	-	-	-	3,126
Share based payment transactions	-	-	49,551	-	-	49,551
At 31 December 2021	<u>134,515</u>	<u>7,103,362</u>	<u>52,212</u>	<u>4,722,300</u>	<u>(6,943,881)</u>	<u>5,068,508</u>

	Share capital £	Share premium £	Share option reserve £	Other reserves £	Profit and loss account £	Total £
At 1 January 2020	131,389	7,103,362	-	4,722,300	(7,529,906)	4,427,145
Profit for the year	-	-	-	-	161,657	161,657
Total comprehensive income	-	-	-	-	161,657	161,657
Share based payment transactions	-	-	2,661	-	-	2,661
At 31 December 2020	<u>131,389</u>	<u>7,103,362</u>	<u>2,661</u>	<u>4,722,300</u>	<u>(7,368,249)</u>	<u>4,591,463</u>

The notes on pages 17 to 37 form an integral part of these financial statements.

Fitzroy Apparel Limited

Statement of Changes in Equity

Year Ended 31 December 2021

	Share capital £	Share premium £	Share option reserve £	Other reserves £	Profit and loss account £	Total £
At 1 January 2021	131,389	7,103,362	2,661	4,722,300	(7,207,217)	4,752,495
Loss for the year	-	-	-	-	(25,113)	(25,113)
Total comprehensive income	-	-	-	-	(25,113)	(25,113)
New share capital subscribed	3,126	-	-	-	-	3,126
Share based payment transactions	-	-	49,551	-	-	49,551
At 31 December 2021	<u>134,515</u>	<u>7,103,362</u>	<u>52,212</u>	<u>4,722,300</u>	<u>(7,232,330)</u>	<u>4,780,059</u>

	Share capital £	Share premium £	Share option reserve £	Other reserves £	Profit and loss account £	Total £
At 1 January 2020	131,389	7,103,362	-	4,722,300	(228,790)	11,728,261
Loss for the year	-	-	-	-	(6,978,427)	(6,978,427)
Total comprehensive income	-	-	-	-	(6,978,427)	(6,978,427)
Share based payment transactions	-	-	2,661	-	-	2,661
At 31 December 2020	<u>131,389</u>	<u>7,103,362</u>	<u>2,661</u>	<u>4,722,300</u>	<u>(7,207,217)</u>	<u>4,752,495</u>

The notes on pages 17 to 37 form an integral part of these financial statements.

Fitzroy Apparel Limited

Consolidated Statement of Cash Flows

Year Ended 31 December 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Profit for the year		424,368	161,657
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	292,983	280,685
Share option cost		49,551	2,661
Profit on disposal of tangible assets		(3,278)	-
Finance income	9	-	(4,412)
Finance costs	10	77,862	108,342
Income tax expense	11	50,209	(54,435)
		891,695	494,498
Working capital adjustments			
(Increase)/decrease in stocks	15	(3,103,225)	87,632
Decrease/(increase) in trade debtors	16	26,947	(227,156)
Increase in trade creditors	18	1,507,443	1,337,664
Increase in provisions	21	224,614	201,761
Cash generated from operations		(452,526)	1,894,399
Income taxes received	11	4,226	-
Net cash flow from operating activities		(448,300)	1,894,399
Cash flows from investing activities			
Interest received		-	4,412
Acquisitions of tangible assets		(152,977)	(120,590)
Proceeds from sale of tangible assets		9,139	-
Acquisition of intangible assets	12	(224,191)	(573)
Net cash flows from investing activities		(368,029)	(116,751)
Cash flows from financing activities			
Interest paid	10	(77,862)	(108,342)
Proceeds from issue of ordinary shares, net of issue costs		3,126	-
Payments to finance lease creditors		(29,628)	(50,095)
Net cash flows from financing activities		(104,364)	(158,437)
Net (decrease)/increase in cash and cash equivalents		(920,693)	1,619,211
Cash and cash equivalents at 1 January		5,712,424	4,093,213
Cash and cash equivalents at 31 December		4,791,731	5,712,424

The notes on pages 17 to 37 form an integral part of these financial statements.

Fitzroy Apparel Limited

Notes to the Financial Statements

Year Ended 31 December 2021

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Unit 6 Wheal Kitty Workshops

St Agnes

Cornwall

TR5 0RD

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Summary of disclosure exemptions

FRS 102 grants a qualifying entity exemptions from the full requirements of FRS 102. The following exemptions have been taken in these financial statements as the company is deemed to be a qualifying entity.

The company has been taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a Statement of Cash Flows on the basis that it is a qualifying entity and the company's cash flows are included in the Consolidated Statement of Cash Flows. The company is also taking exemption from disclosure of related party transactions entered into between the company and other wholly owned members of the Fitzroy Apparel Limited group.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December 2021.

As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Fitzroy Apparel Limited

Notes to the Financial Statements

Year Ended 31 December 2021

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Going concern

The financial statements have been prepared on a going concern basis. The group was profitable and cash-generative in 2021 despite the impact of Covid-19 and at year end held £4.8m in cash. For further details please see the strategic report. The group has significant working capital requirements at key times in the year. The directors ensure that the group has sufficient resources to meet its obligations as they fall due. This is managed with detailed cash flow forecasts and working with banks and other lenders to ensure that the group has sufficient working capital when required

Key sources of estimation uncertainty

The group recognises a provision for estimated sales returns as at the year end. This is informed by the historic pattern of returns and the actual returns received between the balance sheet date and the date of approval of the financial statements.

Estimates have been made to value the equity settled share-based payments recognised through the issuance of share options during the period. The key assumptions used centre on the volatility associated with the share price, assessment of the likelihood of non market conditions being met and the time to maturity, when the options become exercisable.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the group's activities. Turnover is shown net of value added tax, returns, rebates and discounts and after eliminating sales within the group. Turnover from sale of goods in retail stores is recognised at the point of sale. Turnover from sale of goods on the group's website is recognised on despatch.

The group recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the group's activities.

Fitzroy Apparel Limited

Notes to the Financial Statements

Year Ended 31 December 2021

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

Deferred tax is recognised on all timing differences at the balance sheet date unless indicated below. Timing differences are differences between taxable profits and the results as stated in the consolidated profit and loss account and other comprehensive income. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold property	Over the life of the lease
Motor vehicles	25% straight line
Fixtures, fittings & equipment	20-25% straight line

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Fitzroy Apparel Limited

Notes to the Financial Statements

Year Ended 31 December 2021

Goodwill

Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Intangible assets

Intangible assets are stated in the balance sheet at cost, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	10% straight line
Website	33% straight line

Investments

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment. Dividends on equity securities are recognised in income when receivable.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Provisions

Provisions are recognised when the group has an obligation at the reporting date as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Fitzroy Apparel Limited

Notes to the Financial Statements

Year Ended 31 December 2021

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Share based payments

The share options scheme allows selected employees to acquire shares of the Fitzroy Apparel Limited. Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of Comprehensive Income over the vesting period. This is accounted for as an increase in the share option reserve in equity.

Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance Sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or the other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the Statement of Comprehensive Income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Statement of Comprehensive income is charged with fair value of goods and services received.

Fair value is measured by use of the Black Scholes pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behaviour considerations.

Growth shares

Selected employees can be granted growth shares in the company. Where shares are awarded to employees the fair value of the shares at the date of issue is charged to the Statement of Comprehensive Income immediately. The excess of fair value over the consideration paid is accounted for as an increase in the share premium reserve in equity.

Fitzroy Apparel Limited

Notes to the Financial Statements

Year Ended 31 December 2021

Financial instruments

Classification

The group holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Cash and bank balances; and
- Loans

All financial instruments are classified as basic.

Recognition and measurement

The group has chosen to apply the recognition and measurement principles in FRS102.

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the group's obligations are discharged, expire or are cancelled.

Such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Loans are initially measured at transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method.

3 Revenue

The analysis of the group's revenue for the year from continuing operations is as follows:

	2021 £	2020 £
Sale of goods	17,111,443	10,906,198
Other revenue	19,668	-
	<u>17,131,111</u>	<u>10,906,198</u>

The analysis of the group's turnover for the year by market is as follows:

	2021 £	2020 £
UK	16,160,456	10,153,671
Europe	534,901	458,060
Rest of world	435,754	294,467
	<u>17,131,111</u>	<u>10,906,198</u>

Fitzroy Apparel Limited

Notes to the Financial Statements

Year Ended 31 December 2021

4 Other operating income

The analysis of the group's other operating income for the year is as follows:

	2021 £	2020 £
Government grants	289,391	350,926
Miscellaneous other operating income	16,806	-
	<u>306,197</u>	<u>350,926</u>

Of the above government grants £129,365 (2020 - £252,338) relates to monies received under the Coronavirus Job Retention Scheme and £160,026 (2020 - £95,588) under other Coronavirus grant support schemes.

5 Operating profit

Arrived at after charging/(crediting)

	2021 £	2020 £
Depreciation expense	248,412	246,504
Amortisation expense	44,571	34,181
Foreign exchange gains	(137,642)	(54,200)
Profit on disposal of property, plant and equipment	<u>(3,278)</u>	<u>-</u>

6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2021 £	2020 £
Wages and salaries	3,232,332	2,628,662
Social security costs	288,451	204,940
Pension costs, defined contribution scheme	49,730	37,715
Restructuring costs	34,934	42,300
	<u>3,605,447</u>	<u>2,913,617</u>

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2021 No.	2020 No.
Sales and distribution	83	72
Administration and support	<u>50</u>	<u>29</u>
	<u>133</u>	<u>101</u>

Fitzroy Apparel Limited

Notes to the Financial Statements

Year Ended 31 December 2021

7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2021 £	2020 £
Remuneration	418,403	456,886
Contributions paid to money purchase schemes	3,513	3,393
	<u>421,916</u>	<u>460,279</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2021 No.	2020 No.
Received or were entitled to receive shares under long term incentive schemes	4	2
Accruing benefits under money purchase pension scheme	<u>3</u>	<u>3</u>

During the year 2 directors were granted 1 Growth M share each and 2 directors were granted 312,578 Growth A shares in the company. The Directors have judged that the fair value of these shares at the date of grant was materially equivalent to the nominal value and therefore no additional directors remuneration is included in the above disclosure.

In respect of the highest paid director:

	2021 £	2020 £
Remuneration	157,431	292,515
Company contributions to money purchase pension schemes	<u>881</u>	<u>1,314</u>

8 Auditor's remuneration

	2021 £	2020 £
Audit of these financial statements	2,625	2,300
Audit of the financial statements of subsidiaries of the company pursuant to legislation	9,700	9,200
	<u>12,325</u>	<u>11,500</u>

9 Other interest receivable and similar income

	2021 £	2020 £
Interest income on bank deposits	<u>-</u>	<u>4,412</u>

Fitzroy Apparel Limited

Notes to the Financial Statements

Year Ended 31 December 2021

10 Interest payable and similar expenses

	2021 £	2020 £
Interest on obligations under finance leases and hire purchase contracts	-	4,509
Interest expense on other finance liabilities	77,862	103,833
	<u>77,862</u>	<u>108,342</u>

11 Taxation

Tax charged/(credited) in the profit and loss account

	2021 £	2020 £
Current taxation		
UK corporation tax adjustment to prior periods	(4,226)	-
Deferred taxation		
Arising from origination and reversal of timing differences	54,435	(54,435)
Tax expense/(receipt) in the income statement	<u>50,209</u>	<u>(54,435)</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2020 - lower than the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	2021 £	2020 £
Profit before tax	<u>474,577</u>	<u>107,222</u>
Corporation tax at standard rate	90,170	20,372
Effect of expense not deductible in determining taxable profit (tax loss)	30,983	13,178
Decrease from tax losses for which no deferred tax asset was recognised	(52,924)	(87,985)
Decrease from effect of tax incentives	<u>(18,020)</u>	<u>-</u>
Total tax charge/(credit)	<u>50,209</u>	<u>(54,435)</u>

Fitzroy Apparel Limited

Notes to the Financial Statements

Year Ended 31 December 2021

Deferred tax

Group

Deferred tax assets and liabilities

	Asset £
2021	
Tax losses carried forward	58,596
Accelerated tax depreciation	(59,611)
Provisions	1,015
	<u>-</u>
	<u>-</u>
2020	
Tax losses carried forward	111,529
Accelerated tax depreciation	(59,077)
Provisions	1,983
	<u>54,435</u>
	<u>54,435</u>

There are £6,514,910 of unused tax losses (2020 - £6,849,440) for which no deferred tax asset is recognised in the Balance Sheet.

Fitzroy Apparel Limited

Notes to the Financial Statements

Year Ended 31 December 2021

12 Intangible assets

Group

	Goodwill £	Software £	Website £	Total £
Cost or valuation				
At 1 January 2021	225,565	-	66,871	292,436
Additions acquired separately	-	82,873	141,318	224,191
At 31 December 2021	225,565	82,873	208,189	516,627
Amortisation				
At 1 January 2021	203,013	-	53,681	256,694
Amortisation charge	22,552	-	22,019	44,571
At 31 December 2021	225,565	-	75,700	301,265
Carrying amount				
At 31 December 2021	-	82,873	132,489	215,362
At 31 December 2020	22,552	-	13,190	35,742

The carrying amount of intangible assets classified as assets under construction at year end is £159,733.

Fitzroy Apparel Limited

Notes to the Financial Statements

Year Ended 31 December 2021

13 Tangible assets

Group

	Leasehold property improvements £	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 January 2021	482,394	729,691	8,289	1,220,374
Additions	60,212	92,765	-	152,977
Disposals	-	(45,734)	-	(45,734)
At 31 December 2021	<u>542,606</u>	<u>776,722</u>	<u>8,289</u>	<u>1,327,617</u>
Depreciation				
At 1 January 2021	290,113	468,501	4,697	763,311
Charge for the year	99,741	147,013	1,658	248,412
Eliminated on disposal	-	(39,867)	-	(39,867)
At 31 December 2021	<u>389,854</u>	<u>575,647</u>	<u>6,355</u>	<u>971,856</u>
Carrying amount				
At 31 December 2021	<u>152,752</u>	<u>201,075</u>	<u>1,934</u>	<u>355,761</u>
At 31 December 2020	<u>192,281</u>	<u>261,190</u>	<u>3,592</u>	<u>457,063</u>

Fitzroy Apparel Limited

Notes to the Financial Statements

Year Ended 31 December 2021

14 Investments

Group

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the group holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2021	2020
Subsidiary undertakings				
Finisterre UK Limited*	Unit 6 Wheal Kitty Workshops, St. Agnes, Cornwall, TR5 0RD England and Wales	Ordinary	100%	100%
Finisterre Foundation CIC*	Unit 6 Wheal Kitty Workshops, Wheal Kitty, St Agnes, Cornwall, TR5 0RD	See below	0%	0%

* indicates direct investment of the company

Subsidiary undertakings

Finisterre UK Limited

The principal activity of Finisterre UK Limited is that of the design and sale of Finisterre branded, sustainable clothing and accessories.

Finisterre Foundation CIC

The principal activity of Finisterre Foundation CIC is of fundraising. The company is limited by guarantee, with Fitzroy Apparel Limited being the sole member.

Fitzroy Apparel Limited

Notes to the Financial Statements

Year Ended 31 December 2021

Company

	2021 £	2020 £
Investments in subsidiaries	<u>4,824,544</u>	<u>4,774,993</u>

Subsidiaries

Cost or valuation

At 1 January 2021	11,731,822
Additions	<u>49,551</u>
At 31 December 2021	<u>11,781,373</u>

Provision

At 1 January 2021	<u>6,956,829</u>
At 31 December 2021	<u>6,956,829</u>

Carrying amount

At 31 December 2021	<u>4,824,544</u>
At 31 December 2020	<u>4,774,993</u>

15 Stocks

	2021 £	Group 2020 £	2021 £	Company 2020 £
Raw materials and consumables	3,742	33,600	-	-
Other inventories	<u>4,160,304</u>	<u>1,027,221</u>	-	-
	<u>4,164,046</u>	<u>1,060,821</u>	-	-

Group

Impairment of inventories

The amount of impairment loss included in profit or loss is £31,460 (2020 - £58,864).

Fitzroy Apparel Limited

Notes to the Financial Statements

Year Ended 31 December 2021

16 Debtors

	Note	2021 £	Group 2020 £	2021 £	Company 2020 £
Trade debtors		4,776	60,792	-	-
Other debtors		681,265	738,807	-	-
Prepayments		185,670	99,059	-	-
Deferred tax assets	11	-	54,435	-	-
		<u>871,711</u>	<u>953,093</u>	<u>-</u>	<u>-</u>

17 Cash and cash equivalents

	2021 £	Group 2020 £	2021 £	Company 2020 £
Cash on hand	13,517	3,783	-	-
Cash at bank	<u>4,778,214</u>	<u>5,708,641</u>	<u>-</u>	<u>-</u>
	<u>4,791,731</u>	<u>5,712,424</u>	<u>-</u>	<u>-</u>

18 Creditors

	Note	2021 £	Group 2020 £	2021 £	Company 2020 £
Due within one year					
Loans and borrowings	19	808,757	838,385	-	-
Trade creditors		1,789,193	659,865	-	-
Amounts due to group undertakings	28	-	-	44,485	22,498
Social security and other taxes		1,215,056	898,374	-	-
Other creditors		512,764	589,273	-	-
Accrued expenses		<u>577,958</u>	<u>440,022</u>	<u>-</u>	<u>-</u>
		<u>4,903,728</u>	<u>3,425,919</u>	<u>44,485</u>	<u>22,498</u>

Fitzroy Apparel Limited

Notes to the Financial Statements

Year Ended 31 December 2021

19 Loans and borrowings

	2021 £	Group 2020 £	2021 £	Company 2020 £
Current loans and borrowings				
Hire purchase contracts	-	29,628	-	-
Other borrowings	808,757	808,757	-	-
	<u>808,757</u>	<u>838,385</u>	<u>-</u>	<u>-</u>

Group

Other borrowings

The other loan is denominated in £ with a nominal interest rate of 9%, and the final instalment is due on 31 January 2022. The carrying amount at year end is £808,757 (2020 - £808,757).

The other loan is secured by a fixed and floating charge over all the assets of the company.

20 Obligations under leases and hire purchase contracts

Group

Finance leases

The total of future minimum lease payments is as follows:

	2021 £	2020 £
Not later than one year	-	29,628

Operating leases

The total of future minimum lease payments is as follows:

	2021 £	2020 £
Not later than one year	260,108	221,175
Later than one year and not later than five years	258,208	373,392
	<u>518,316</u>	<u>594,567</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £341,506 (2020 - £327,163).

Fitzroy Apparel Limited

Notes to the Financial Statements

Year Ended 31 December 2021

21 Provisions for liabilities

Group

	Sales returns provision £	Total £
At 1 January 2021	201,761	201,761
Increase (decrease) in existing provisions	<u>224,614</u>	<u>224,614</u>
At 31 December 2021	<u>426,375</u>	<u>426,375</u>

The group has provided for its best estimate of future sales returns. This is informed by the number of sales returns received between the balance sheet date and the date of these financial statements.

22 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £49,730 (2020 - £37,715).

Fitzroy Apparel Limited

Notes to the Financial Statements

Year Ended 31 December 2021

23 Share-based payments

The Fitzroy Apparel EMI Share Option Plan

Scheme details and movements

The parent company operates an equity-settled share-based scheme for directors and employees. Selected directors and employees are eligible to participate in the long term incentive scheme, the vesting condition being that the individual remains an employee of the company over the vesting period.

The movements in the number of share options during the year were as follows:

	2021	2020
	Number	Number
Outstanding, start of period	2,250,000	-
Granted during the period	898,059	2,250,000
Forfeited during the period	(700,000)	-
Outstanding, end of period	<u>2,448,059</u>	<u>2,250,000</u>

The movements in the weighted average exercise price of share options during the year were as follows:

	2021	2020
	p	p
Outstanding, start of period	19.00	-
Granted during the period	80.00	19.00
Forfeited during the period	(59.00)	-
Outstanding, end of period	<u>30.00</u>	<u>19.00</u>

Effect of share-based payments on profit or loss and financial position

The total expense recognised in profit or loss for the year was £49,551 (2020 - £2,661).

Fitzroy Apparel Limited

Notes to the Financial Statements

Year Ended 31 December 2021

24 Share capital

Allotted, called up and fully paid shares

	No.	2021 £	No.	2020 £
Ordinary shares of £0.01 each	2,900,076	29,001	2,900,076	29,001
Ordinary AP shares of £0.01 each	10,238,821	102,388	10,238,821	102,388
Growth A Shares of £0.01 (2020 - £0) each	312,578	3,126	-	-
Growth M Shares of £0.01 (2020 - £0) each	2	-	-	-
	<u>13,451,477</u>	<u>134,515</u>	<u>13,138,897</u>	<u>131,389</u>

Ordinary shares have a pro rata right to income and capital as one class with Ordinary AP shares. Each share carries one vote and is non-redeemable.

Growth A shares are non voting and carry no entitlement to dividend income. In the event of an exit Growth A shares have a right to a portion of the surplus total equity proceeds above the Growth A hurdle in accordance with section 4.1.2 of the articles of association.

Growth M shares are non voting and carry no entitlement to dividend income. In the event of an exit Growth M shares have a right to 1.25% of the surplus total equity proceeds above the Relevant Investment Return in accordance with section 4.1.2 of the articles of association.

25 Commitments

Group

Capital commitments

The total amount contracted for but not provided in the financial statements was £32,118 (2020 - £Nil).

Fitzroy Apparel Limited

Notes to the Financial Statements

Year Ended 31 December 2021

26 Analysis of changes in net debt

Group

	At 1 January 2021 £	Financing cash flows £	At 31 December 2021 £
Cash and cash equivalents			
Cash	5,712,424	(920,693)	4,791,731
Borrowings			
Short term borrowings	(808,757)	-	(808,757)
Lease liabilities	<u>(29,628)</u>	<u>29,628</u>	<u>-</u>
	<u>(838,385)</u>	<u>29,628</u>	<u>(808,757)</u>
	<u>4,874,039</u>	<u>(891,065)</u>	<u>3,982,974</u>

27 Ultimate controlling party

The group has no single ultimate controlling party as no individual or entity controls greater than 50% of the issued share capital.

Fitzroy Apparel Limited

Notes to the Financial Statements

Year Ended 31 December 2021

28 Related party transactions

Group

The directors do not consider any employees other than statutory directors, whose remuneration is disclosed in note 7, to be key management personnel within the definition contained in FRS102.

Transactions with directors

	At 1 January 2021 £	Advances to directors £	Repayments by director £	At 31 December 2021 £
2021				
Director 1	<u>3,689</u>	<u>94</u>	<u>(1,357)</u>	<u>2,426</u>
		At 1 January 2020 £	Advances to directors £	At 31 December 2020 £
2020				
Director 1		<u>3,331</u>	<u>358</u>	<u>3,689</u>

Other transactions with directors

The director's loan account is interest free and repayable on demand.

Expenditure with and payables to other related parties

	Other related parties £
2021	
Rendering of services	<u>80,132</u>
	Other related parties £
2020	
Rendering of services	<u>29,180</u>
	<u>29,180</u>

Other related parties are comprised of entities in which board members have significant influence.