

Fitzroy Apparel Limited

Annual Report and Consolidated Financial Statements Period from 1 January 2022 to 31 March 2023

Registration number: 08182566

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Fitzroy Apparel Limited

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Fitzroy Apparel Limited

Company Information

Directors	N D Evans
	T C Kay
	S N S Hill-Norton
	W L Sheane
	Y Gairola
Registered office	Unit 6 Wheal Kitty Workshops St Agnes Cornwall TR5 0RD
Auditors	PKF Francis Clark Statutory Auditor Melville Building East Unit 18, 23 Royal William Yard Plymouth Devon PL1 3GW

Fitzroy Apparel Limited

Strategic Report

Period from 1 January 2022 to 31 March 2023

The directors present their strategic report for the 15-month period ending 31 March 2023.

Principal activity

Finisterre is a pioneering outdoor brand, built to inspire a love of the sea and anchored in exceptional product. Our innovative product range includes technical outerwear, knitwear and fleece, as well as wetsuits, swimwear and accessories. In 2022, over 92% of our products were made entirely from preferred fabrics (organic, recycled or natural materials) and sold principally via our website (www.finisterre.com) and 10 retail stores across the UK. Finisterre was the first outdoor brand to become B Corp certified and recertified again in 2021, with a score of 93.2.

Change in financial year end

From a reporting perspective, we moved our financial year end from 31 December to 31 March during the current period. This was principally to better align internal planning activity after peak Christmas trade. As such, this annual report covers an extended 15-month period (which includes two traditionally loss-making quarters from January to March). For our Strategic Report KPI reporting below, we have therefore included:

- An analysis of the 12-month results to 31 March (our new financial year-end); and
- A one-off presentation of the 15-month reported results within these financial statements.

Period ending	Analysis of 12 month financial period			Reported Accounts*
	<u>FY22/23</u> 31-Mar-23	<u>FY21/22</u> 31-Mar-22	<u>% change</u>	<u>15 months</u> 31-Mar-23
Turnover	20,842,269	18,329,551	14%	23,937,301
Gross Profit (inc. fulfilment)	10,167,997	9,331,935	9%	11,502,117
Gross Profit %	48.8%	50.9%		48.1%
EBITDA	5,124	329,797	-98%	(969,153)
EBITDA %	0.0%	1.8%		-4.0%

* As per Profit and Loss Account within Financial Statements

Fitzroy Apparel Limited

Strategic Report

Period from 1 January 2022 to 31 March 2023

Fair review of the business

The 12-month period to 31 March 2023 was a strong period for the group. The group achieved 13.7% growth in turnover and a 9.0% growth in gross profit (including fulfilment costs). This growth was achieved despite a material slowdown in the UK economy driven by the cost of living crisis which developed through 2022.

As a business, we landed a number of milestone projects:

- The implementation of a new ERP platform, a major project over the full 12 month period, going live on 1 April 2023. This technology investment will be a critical step to longer term channel growth and operational efficiency as we scale;
- We added to our retail footprint by relocating our Bath store and launching a new store in St Ives (our first new store since the Coronavirus pandemic). We also launched our second permanent Lived & Loved repairs location in our Bristol store;
- We launched a new website, with a renewed focus around content, imagery and styling, and made significant improvements to our international service proposition; and
- From a product perspective, we launched a number of initiatives to drive quality, responsible fabric choice / innovation, and margin improvements; as well as investing in our compliance capability.

It was without doubt a much more challenging macro environment. In addition to consumer hesitation, we saw continued disruption in our supply chain, FX deterioration and significant inflationary cost pressures both internally and throughout our supply chain which negatively impacted EBITDA in the time period.

The group continues to invest in its teams, operational platform and supply chain to support longer term growth ambitions and we continue to see significant opportunity both in our home market and also in new territories.

Principal risks and uncertainties

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

Financial risk

The group designs clothing from its workshop in Wheal Kitty, Cornwall and work with suppliers around the globe sourcing sustainable product. Placing orders up to six months before payment is required, leaving us exposed to foreign exchange risk on these contracts. We enter into forward contracts to mitigate 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 and this is managed with detailed cash flow forecasts as well as working with banks and other lenders to ensure that we have sufficient working capital when required.

Fitzroy Apparel Limited

Strategic Report

Period from 1 January 2022 to 31 March 2023

Operational risk

The group is affected by the health of the economies in the territories in which it operates. During the period to 31 March 2023 the majority of revenue was generated in the UK and so we are affected by the health of the UK economy, in particular rising inflation rates and cost of living pressures. The expansion of the business to new markets as we scale internationally will help reduce this risk moving forward.

We have remained cautious on the economic outlook, particularly in the UK where inflation will remain persistent through much of our year ahead and where the risk of a recession remains high.


Our finished goods are purchased from factories around the world and delivered by third party logistic providers. Any problems throughout the supply chain would impact our ability to deliver product and could 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 product and is committed to making informed decisions about our impact on the environment. We have to 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, in the event that 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 12/12/23 and signed on its behalf by:



N D Evans
Director

Fitzroy Apparel Limited

Directors' Report

Period from 1 January 2022 to 31 March 2023

The directors present their report and the consolidated financial statements for the period from 1 January 2022 to 31 March 2023.

Directors of the group

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

N D Evans

T C Kay

S N S Hill-Norton

W L Sheane

A Hughes (resigned 30 October 2022)

Y Gairola

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 the Finisterre brand 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.

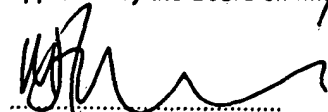
Going concern

The financial statements for the group have been prepared on a going concern basis. The directors are satisfied that the group has sufficient cash headroom (£3.5m at the balance sheet date) to continue to meet its trading obligations. There are no material uncertainties relating to events or conditions that would cast significant doubt on the group's underlying performance, and the group is on track to meet its budget for FY23/24.

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.

Approved by the Board on 12/12/23 and signed on its behalf by:



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 period. 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 period from 1 January 2022 to 31 March 2023, 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 March 2023 and of the group's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 period 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.

PKF Francis Clark

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

Melville Building East
Unit 18, 23 Royal William Yard
Plymouth
Devon
PL1 3GW

Date: 13/12/2023

Fitzroy Apparel Limited

Consolidated Profit and Loss Account

Period from 1 January 2022 to 31 March 2023

	Note	15 months ending 31 March 2023 £	12 months ending 31 December 2021 £
Turnover	3	23,937,301	17,131,111
Cost of sales		<u>(12,435,184)</u>	<u>(8,080,010)</u>
Gross profit		11,502,117	9,051,101
Administrative expenses		(12,774,828)	(8,804,859)
Other operating income	4	<u>13,899</u>	<u>306,197</u>
Operating (loss)/profit	5	(1,258,812)	552,439
Interest payable and similar expenses	9	<u>(95,211)</u>	<u>(77,862)</u>
(Loss)/profit before tax		(1,354,023)	474,577
Tax on (loss)/profit	10	<u>(1,609)</u>	<u>(50,209)</u>
(Loss)/profit for the financial period		<u>(1,355,632)</u>	<u>424,368</u>
Profit/(loss) attributable to:			
Owners of the company		<u>(1,355,632)</u>	<u>424,368</u>

The group has no recognised gains or losses for the period other than the results above.

The above results were derived from continuing activities.

There were no other comprehensive gains or losses for the current or prior period.

Fitzroy Apparel Limited

Consolidated Balance Sheet

31 March 2023

	Note	2023 £	2021 £
Fixed assets			
Intangible assets	11	521,512	215,362
Tangible assets	12	<u>389,268</u>	<u>355,761</u>
		<u>910,780</u>	<u>571,123</u>
Current assets			
Stocks	14	5,291,814	4,164,048
Debtors	15	795,612	871,711
Cash at bank and in hand		<u>3,450,638</u>	<u>4,791,731</u>
		9,538,064	9,827,488
Creditors: Amounts falling due within one year	17	<u>(1,793,413)</u>	<u>(4,903,728)</u>
Net current assets		<u>7,744,651</u>	<u>4,923,760</u>
Total assets less current liabilities		8,655,431	5,494,883
Provisions for liabilities	20	<u>(377,475)</u>	<u>(426,375)</u>
Net assets		<u>8,277,956</u>	<u>5,068,508</u>
Capital and reserves			
Called up share capital	23	158,235	134,515
Share premium reserve		11,547,557	7,103,362
Share option reserve		149,377	52,212
Other reserves		4,722,300	4,722,300
Profit and loss account		<u>(8,299,513)</u>	<u>(6,943,881)</u>
Equity attributable to owners of the parent company		<u>8,277,956</u>	<u>5,068,508</u>
Shareholders' funds		<u>8,277,956</u>	<u>5,068,508</u>

Approved and authorised by the Board on 12/12/23 and signed on its behalf by:



N D Evans
Director

Company Registration Number: 08182566

Fitzroy Apparel Limited

Balance Sheet

31 March 2023

	Note	2023 £	2021 £
Fixed assets			
Investments	13	4,921,709	4,824,544
Current assets			
Debtors	15	4,410,293	-
Creditors: Amounts falling due within one year	17	<u>(5,540)</u>	<u>(44,485)</u>
Net current assets/(liabilities)		<u>4,404,753</u>	<u>(44,485)</u>
Net assets		<u>9,326,462</u>	<u>4,780,059</u>
Capital and reserves			
Called up share capital	23	158,235	134,515
Share premium reserve		11,547,557	7,103,362
Share option reserve		149,377	52,212
Other reserves		4,722,300	4,722,300
Profit and loss account		<u>(7,251,007)</u>	<u>(7,232,330)</u>
Shareholders' funds		<u>9,326,462</u>	<u>4,780,059</u>

The company made a loss after tax for the financial period of £18,677 (2021 - loss of £25,113). The company has taken the exemption in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

Approved and authorised by the Board on 12/12/23 and signed on its behalf by:



N D Evans
Director

Company Registration Number: 08182566

Fitzroy Apparel Limited

Consolidated Statement of Changes in Equity

Period from 1 January 2022 to 31 March 2023

	Share capital £	Share premium £	Share option reserve £	Other reserves £	Profit and loss account £	Total £
At 1 January 2022	134,515	7,103,362	52,212	4,722,300	(6,943,881)	5,068,508
Loss for the period	-	-	-	-	(1,355,632)	(1,355,632)
Total comprehensive loss	-	-	-	-	(1,355,632)	(1,355,632)
New share capital subscribed	23,720	4,444,195	-	-	-	4,467,915
Share based payment transactions	-	-	97,165	-	-	97,165
At 31 March 2023	<u>158,235</u>	<u>11,547,557</u>	<u>149,377</u>	<u>4,722,300</u>	<u>(8,299,513)</u>	<u>8,277,956</u>

	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 period	-	-	-	-	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>

For further details on share capital see note 23 and share based payment transactions see note 22.

Fitzroy Apparel Limited

Statement of Changes in Equity

Period from 1 January 2022 to 31 March 2023

	Share capital £	Share premium £	Share option reserve £	Other reserves £	Profit and loss account £	Total £
At 1 January 2022	134,515	7,103,362	52,212	4,722,300	(7,232,330)	4,780,059
Loss for the period	-	-	-	-	(18,677)	(18,677)
Total comprehensive loss	-	-	-	-	(18,677)	(18,677)
New share capital subscribed	23,720	4,444,195	-	-	-	4,467,915
Share based payment transactions	-	-	97,165	-	-	97,165
At 31 March 2023	<u>158,235</u>	<u>11,547,557</u>	<u>149,377</u>	<u>4,722,300</u>	<u>(7,251,007)</u>	<u>9,326,462</u>

	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 period	-	-	-	-	(25,113)	(25,113)
Total comprehensive loss	-	-	-	-	(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>

For further details on share capital see note 23 and share based payment transactions see note 22.

Fitzroy Apparel Limited

Consolidated Statement of Cash Flows

Period from 1 January 2022 to 31 March 2023

	Note	15 months ending 31 March 2023 £	12 months ending 31 Dec 2021 £
Cash flows from operating activities			
(Loss)/profit for the period		(1,355,632)	424,368
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	289,659	292,983
Share option cost		97,165	49,551
Loss/(profit) on disposal of tangible assets		37,030	(3,278)
Finance costs	9	95,211	77,862
Income tax expense	10	1,609	50,209
		(834,958)	891,695
Working capital adjustments			
Increase in stocks	14	(1,127,768)	(3,103,225)
Decrease in trade debtors	15	74,490	26,947
(Decrease)/increase in trade creditors	17	(2,301,558)	1,507,443
(Decrease)/increase in provisions	20	(48,900)	224,614
Cash generated from operations		(4,238,694)	(452,526)
Income taxes received	10	-	4,226
Net cash flow from operating activities		(4,238,694)	(448,300)
Cash flows from investing activities			
Acquisitions of tangible assets	12	(266,135)	(152,977)
Proceeds from sale of tangible assets		-	9,139
Acquisition of intangible assets	11	(400,211)	(224,191)
Net cash flows from investing activities		(666,346)	(368,029)
Cash flows from financing activities			
Interest paid	9	(95,211)	(77,862)
Proceeds from issue of ordinary shares, net of issue costs	23	4,467,915	3,126
Repayment of other borrowing	17	(808,757)	-
Payments to finance lease creditors		-	(29,628)
Net cash flows from financing activities		3,563,947	(104,364)
Net decrease in cash and cash equivalents		(1,341,093)	(920,693)
Cash and cash equivalents at 1 January		4,791,731	5,712,424
Cash and cash equivalents at 31 March		3,450,638	4,791,731

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

Fitzroy Apparel Limited

Notes to the Financial Statements

Period from 1 January 2022 to 31 March 2023

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 periods 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 March 2023.

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

Period from 1 January 2022 to 31 March 2023

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.

Disclosure of long or short period

The group elected to change its accounting reference date from December to March and therefore the results for the current financial statements comprise a long 15 month period to 31 March 2023. The comparative period presents the results for the 12 month period to 31 December 2021.

Going concern

The financial statements have been prepared on a going concern basis. 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 balance sheet date. 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. The carrying amount at the balance sheet date is £377,475 (2021: £426,375).

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..

Fitzroy Apparel Limited

Notes to the Financial Statements

Period from 1 January 2022 to 31 March 2023

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 dispatch.

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.

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.

Fitzroy Apparel Limited

Notes to the Financial Statements

Period from 1 January 2022 to 31 March 2023

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

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
Trademarks, patents and licences	10% straight line
Software	25% 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 average cost (AVCO) 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.

Fitzroy Apparel Limited

Notes to the Financial Statements

Period from 1 January 2022 to 31 March 2023

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 Profit and Loss Account 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 Profit and Loss Account over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Profit and Loss Account 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 Profit and Loss Account 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

Period from 1 January 2022 to 31 March 2023

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 period from continuing operations is as follows:

	15 months ending 31 March 2023 £	12 months ending 31 Dec 2021 £
Sale of goods	23,932,750	17,111,443
Other revenue	4,551	19,668
	<u>23,937,301</u>	<u>17,131,111</u>

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

	15 months ending 31 March 2023 £	12 months ending 31 Dec 2021 £
UK	22,415,595	16,160,456
Europe	586,989	534,901
Rest of world	934,717	435,754
	<u>23,937,301</u>	<u>17,131,111</u>

Fitzroy Apparel Limited

Notes to the Financial Statements

Period from 1 January 2022 to 31 March 2023

4 Other operating income

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

	15 months ending 31 March 2023 £	12 months ending 31 Dec 2021 £
Government grants	-	289,391
Miscellaneous other operating income	13,899	16,806
	<u>13,899</u>	<u>306,197</u>

Of the above government grants £Nil (2021 - £129,365) relates to monies received under the Coronavirus Job Retention Scheme and £Nil (2021 - £160,026) under other Coronavirus grant support schemes.

5 Operating (loss)/profit

Arrived at after charging/(crediting)

	15 months ending 31 March 2023 £	12 months ending 31 Dec 2021 £
Depreciation expense	227,824	248,412
Amortisation expense	61,835	44,571
Foreign exchange losses/(gains)	114,805	(137,642)
Loss/(profit) on disposal of fixed assets	<u>37,030</u>	<u>(3,278)</u>

6 Staff costs

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

	15 months ending 31 March 2023 £	12 months ending 31 Dec 2021 £
Wages and salaries	4,203,583	3,232,332
Social security costs	410,186	288,451
Pension costs, defined contribution scheme	69,600	49,730
Restructuring costs	-	34,934
	<u>4,683,369</u>	<u>3,605,447</u>

Fitzroy Apparel Limited

Notes to the Financial Statements

Period from 1 January 2022 to 31 March 2023

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

	15 months ending 31 March 2023 No.	12 months ending 31 Dec 2021 No.
Sales and distribution	75	83
Administration and support	54	50
	<u>129</u>	<u>133</u>

7 Directors' remuneration

The directors' remuneration for the period was as follows:

	15 months ending 31 March 2023 £	12 months ending 31 Dec 2021 £
Remuneration	624,679	418,403
Contributions paid to defined contribution pension schemes	4,402	3,513
	<u>629,081</u>	<u>421,916</u>

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

	15 months ending 31 March 2023 No.	12 months ending 31 Dec 2021 No.
Received or were entitled to receive shares under long term incentive schemes	3	4
Accruing benefits under defined contribution pension schemes	<u>3</u>	<u>3</u>

In respect of the highest paid director:

	15 months ending 31 March 2023 £	12 months ending 31 Dec 2021 £
Remuneration	259,271	157,431
Company contributions to defined contribution pension schemes	<u>1,651</u>	<u>881</u>

Fitzroy Apparel Limited

Notes to the Financial Statements

Period from 1 January 2022 to 31 March 2023

During the period the highest paid director received or was entitled to receive shares under a long term incentive scheme.

The remuneration disclosed above includes the non cash cost to the company of accounting for share options, issued to Directors, at fair value over the vesting period.

8 Auditor's remuneration

	15 months ending 31 March 2023 £	12 months ending 31 Dec 2021 £
Audit of these financial statements	5,540	2,625
Audit of the financial statements of subsidiaries of the company pursuant to legislation	14,230	9,700
	<u>19,770</u>	<u>12,325</u>

9 Interest payable and similar expenses

	15 months ending 31 March 2023 £	12 months ending 31 Dec 2021 £
Interest expense on other finance liabilities	<u>95,211</u>	<u>77,862</u>

10 Taxation

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

	15 months ending 31 March 2023 £	12 months ending 31 Dec 2021 £
Current taxation		
UK corporation tax	1,609	-
UK corporation tax adjustment to prior periods	-	(4,226)
	<u>1,609</u>	<u>(4,226)</u>
Deferred taxation		
Arising from origination and reversal of timing differences	-	54,435
Tax expense in the income statement	<u>1,609</u>	<u>50,209</u>

Fitzroy Apparel Limited

Notes to the Financial Statements

Period from 1 January 2022 to 31 March 2023

The tax on loss before tax for the period is higher than the standard rate of corporation tax in the UK (2021 - lower than the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	15 months ending 31 March 2023 £	12 months ending 31 Dec 2021 £
(Loss)/profit before tax	<u>(1,354,023)</u>	<u>474,577</u>
Corporation tax at standard rate	(257,264)	90,170
Effect of expense not deductible in determining taxable profit (tax loss)	32,015	30,983
Increase/(decrease) from tax losses for which no deferred tax asset was recognised	255,072	(52,924)
Decrease from effect of tax incentives	<u>(28,214)</u>	<u>(18,020)</u>
Total tax charge	<u>1,609</u>	<u>50,209</u>

Fitzroy Apparel Limited

Notes to the Financial Statements

Period from 1 January 2022 to 31 March 2023

Deferred tax

Group

Deferred tax assets and liabilities

15 months ending 31 March 2023	Asset £
Tax losses carried forward	149,596
Accelerated tax depreciation	(150,939)
Provisions	1,343
	-
12 months ending 31 Dec 2021	Asset £
Tax losses carried forward	58,596
Accelerated tax depreciation	(59,611)
Provisions	1,015
	-

There are £7,882,270 of unused tax losses (2021 - £6,535,383) for which no deferred tax asset is recognised in the Balance Sheet.

Company

There are £39,150 of unused tax losses (2021 - £20,473) for which no deferred tax asset is recognised in the Balance Sheet.

Fitzroy Apparel Limited

Notes to the Financial Statements

Period from 1 January 2022 to 31 March 2023

11 Intangible assets

Group

	Goodwill £	Trademarks, patents and licenses £	Software £	Website £	Total £
Cost or valuation					
At 1 January 2022	225,565	-	82,873	208,189	516,627
Additions acquired separately	-	3,266	373,441	23,504	400,211
Disposals	-	-	(32,226)	-	(32,226)
At 31 March 2023	<u>225,565</u>	<u>3,266</u>	<u>424,088</u>	<u>231,693</u>	<u>884,612</u>
Amortisation					
At 1 January 2022	225,565	-	-	75,700	301,265
Amortisation charge	-	245	125	61,465	61,835
At 31 March 2023	<u>225,565</u>	<u>245</u>	<u>125</u>	<u>137,165</u>	<u>363,100</u>
Carrying amount					
At 31 March 2023	<u>-</u>	<u>3,021</u>	<u>423,963</u>	<u>94,528</u>	<u>521,512</u>
At 31 December 2021	<u>-</u>	<u>-</u>	<u>82,873</u>	<u>132,489</u>	<u>215,362</u>

The carrying amount of intangible assets classified as assets under construction at year end is £417,987 (2021 - £159,733).

Fitzroy Apparel Limited

Notes to the Financial Statements

Period from 1 January 2022 to 31 March 2023

12 Tangible assets

Group

	Leasehold property improvements £	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 January 2022	542,606	776,722	8,289	1,327,617
Additions	159,216	106,919	-	266,135
Disposals	-	(4,804)	-	(4,804)
At 31 March 2023	<u>701,822</u>	<u>878,837</u>	<u>8,289</u>	<u>1,588,948</u>
Depreciation				
At 1 January 2022	389,854	575,647	6,355	971,856
Charge for the period	<u>106,538</u>	<u>119,352</u>	<u>1,934</u>	<u>227,824</u>
At 31 March 2023	<u>496,392</u>	<u>694,999</u>	<u>8,289</u>	<u>1,199,680</u>
Carrying amount				
At 31 March 2023	<u>205,430</u>	<u>183,838</u>	<u>-</u>	<u>389,268</u>
At 31 December 2021	<u>152,752</u>	<u>201,075</u>	<u>1,934</u>	<u>355,761</u>

Fitzroy Apparel Limited

Notes to the Financial Statements

Period from 1 January 2022 to 31 March 2023

13 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	
			2023	2021
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 to alleviate and remove barriers in accessing the sea and ocean. The company is limited by guarantee, with Finisterre UK Limited being the sole member.

Fitzroy Apparel Limited

Notes to the Financial Statements

Period from 1 January 2022 to 31 March 2023

Company

	2023 £	2021 £
Investments in subsidiaries	<u>4,921,709</u>	<u>4,824,544</u>

Subsidiaries

£

Cost or valuation

At 1 January 2022	11,781,373
Additions	<u>97,165</u>
At 31 March 2023	<u>11,878,538</u>

Provision

At 1 January 2022	<u>6,956,829</u>
At 31 March 2023	<u>6,956,829</u>

Carrying amount

At 31 March 2023	<u>4,921,709</u>
At 31 December 2021	<u>4,824,544</u>

14 Stocks

	2023 £	Group 2021 £	2023 £	Company 2021 £
Raw materials and consumables	-	3,742	-	-
Finished goods and goods for resale	<u>5,291,814</u>	<u>4,160,304</u>	<u>-</u>	<u>-</u>
	<u>5,291,814</u>	<u>4,164,046</u>	<u>-</u>	<u>-</u>

Group

Impairment of inventories

The amount of impairment loss included in profit or loss is £369,528 (2021 - £31,460).

Fitzroy Apparel Limited

Notes to the Financial Statements

Period from 1 January 2022 to 31 March 2023

15 Debtors

	2023 £	Group 2021 £	2023 £	Company 2021 £
Trade debtors	8,954	4,776	-	-
Amounts due from group undertakings	-	-	4,410,293	-
Other debtors	579,201	681,265	-	-
Prepayments	207,457	185,670	-	-
	<u>795,612</u>	<u>871,711</u>	<u>4,410,293</u>	<u>-</u>

Amounts due from group undertakings are unsecured, interest free and repayable on demand.

16 Cash and cash equivalents

	2023 £	Group 2021 £	2023 £	Company 2021 £
Cash on hand	8,163	13,517	-	-
Cash at bank	3,442,475	4,778,214	-	-
	<u>3,450,638</u>	<u>4,791,731</u>	<u>-</u>	<u>-</u>

17 Creditors

	Note	2023 £	Group 2021 £	2023 £	Company 2021 £
Due within one year					
Loans and borrowings	18	-	808,757	-	-
Trade creditors		377,269	1,789,193	-	-
Amounts due to group undertakings		-	-	-	44,485
Corporation tax		1,609	-	-	-
Social security and other taxes		612,747	1,215,056	-	-
Outstanding defined contribution pension costs		12,460	9,546	-	-
Other creditors		67,982	503,218	-	-
Accrued expenses		721,346	577,958	5,540	-
		<u>1,793,413</u>	<u>4,903,728</u>	<u>5,540</u>	<u>44,485</u>

Fitzroy Apparel Limited

Notes to the Financial Statements

Period from 1 January 2022 to 31 March 2023

18 Loans and borrowings

	2023 £	Group 2021 £	2023 £	Company 2021 £
Current loans and borrowings				
Other borrowings	-	808,757	-	-

19 Obligations under leases and hire purchase contracts

Group

Operating leases

The total of future minimum lease payments is as follows:

	2023 £	2021 £
Not later than one year	299,979	260,108
Later than one year and not later than five years	526,750	258,208
	<u>826,729</u>	<u>518,316</u>

The amount of non-cancellable operating lease payments recognised as an expense during the period was £508,981 (2021 - £341,506).

20 Provisions for liabilities

Group

	Sales returns provision £	Total £
At 1 January 2022	426,375	426,375
Increase/(decrease) in existing provisions	(48,900)	(48,900)
At 31 March 2023	<u>377,475</u>	<u>377,475</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. The expectation is that the provision relates entirely to sales returns that will be received within one year of the balance sheet date.

Fitzroy Apparel Limited

Notes to the Financial Statements

Period from 1 January 2022 to 31 March 2023

21 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the group to the scheme and amounted to £69,600 (2021 - £49,730). Contributions totalling £12,460 (2021 - £9,546) were payable to the scheme at the end of the period and are included in creditors.

22 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 period were as follows:

	2023	2021
	Number	Number
Outstanding, start of period	2,448,059	2,250,000
Granted during the period	451,729	898,059
Forfeited during the period	(110,000)	(700,000)
Exercised during the period	(60,000)	-
Outstanding, end of period	<u>2,729,788</u>	<u>2,448,059</u>

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

	2023	2021
	p	p
Outstanding, start of period	30.00	19.00
Granted during the period	190.00	80.00
Forfeited during the period	(46.00)	(59.00)
Exercised during the period	(46.00)	-
Outstanding, end of period	<u>55.00</u>	<u>30.00</u>

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

The total expense recognised in profit or loss for the period was £97,165 (2021 - £49,551).

Fitzroy Apparel Limited

Notes to the Financial Statements

Period from 1 January 2022 to 31 March 2023

23 Share capital

Allotted, called up and fully paid shares

	31 March 2023		31 December 2021	
	No.	£	No.	£
Ordinary shares of £0.01 each	5,227,860	52,279	2,900,076	29,001
Ordinary AP shares of £0.01 each	10,282,070	102,821	10,238,821	102,388
Growth A Shares of £0.01 each	312,578	3,126	312,578	3,126
Growth M Shares of £0.01 each	2	-	2	-
Ordinary AN shares of £0.01 each	1,000	10	-	-
	<u>15,823,510</u>	<u>158,235</u>	<u>13,451,477</u>	<u>134,515</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.

Ordinary AN shares rank behind Ordinary share and Ordinary AP shares as to income and capital. Shares are non voting and 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.

During the year the company issued 2,372,033 ordinary shares in exchange for consideration of £4,467,915.

24 Commitments

Group

Capital commitments

The total amount contracted for but not provided in the financial statements was £22,938 (2021 - £32,118).

Fitzroy Apparel Limited

Notes to the Financial Statements

Period from 1 January 2022 to 31 March 2023

25 Analysis of changes in net debt

Group

	At 1 January 2022 £	Financing cash flows £	At 31 March 2023 £
Cash and cash equivalents			
Cash	4,791,731	(1,341,093)	3,450,638
Borrowings			
Short term borrowings	<u>(808,757)</u>	<u>808,757</u>	<u>-</u>
	<u>3,982,974</u>	<u>(532,336)</u>	<u>3,450,638</u>

26 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.

27 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 2022 £	Advances to directors £	Repayments by director £	At 31 March 2023 £
2023				
Director 1	<u>2,426</u>	<u>7,238</u>	<u>(8,052)</u>	<u>1,612</u>
				At 31
	At 1 January	Advances to	Repayments	December
	2021	directors	by director	2021
	£	£	£	£
2021				
Director 1	<u>3,689</u>	<u>94</u>	<u>(1,357)</u>	<u>2,426</u>

Other transactions with directors

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

Fitzroy Apparel Limited

Notes to the Financial Statements

Period from 1 January 2022 to 31 March 2023

Expenditure with and payables to other related parties

	Other related parties £
15 month period ending 31 March 2023	
Rendering of services	65,000
	<u>65,000</u>
12 month period ending 31 December 2021	
Rendering of services	80,132
	<u>80,132</u>

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