

Peter Millar UK Limited
(Registered Number: 9144803)

Annual Report
For the year ended 31 March 2023



Peter Millar UK Limited

Annual report for the year ended 31 March 2023

	Page(s)
Directors and Advisors	1
Strategic Report	2 - 3
Directors' Report	4 - 7
Independent Auditors' Report	8 - 11
Statement of Comprehensive Income	12
Statement of Financial Position	13
Statement of Changes in Equity	14
Notes to the financial statements	15 – 38

Peter Millar UK Limited

Directors and Advisors

Directors

M. Hilton
R. Brooks
Z. Ghadially

Registered Office

15 Hill Street
London
W1J 5QT

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

Peter Millar UK Limited

Strategic Report for the year ended 31 March 2023

The Directors present their Strategic report for the year ended 31 March 2023.

Principal activities

Peter Millar UK Limited (the "Company") is a Company incorporated in the United Kingdom under the Companies Act 2006 on 23 July 2014. These financial statements reflect the year ended 31 March 2023. The comparative period represents the year ended 31 March 2022. The principal activities of the Company are the marketing and sale of luxury consumer products including apparel and accessories for men and women.

The Company is part of the luxury maisons group Compagnie Financiere Richemont SA Group (the "Group"), incorporating several prestigious maisons including Cartier, Chloe, Montblanc and Peter Millar. The development, performance and position of the Group maisons, which include the Company, is discussed on the Group website (www.richemont.com).

Review of business and future developments

The Company's principal activities are the sale of Peter Millar and G/FORE-branded apparel and footwear. The Company sells Peter Millar-branded products to prestigious golf clubs throughout Europe and the Middle East. This year, the Company has strengthened its presence in the Far East through the G/FORE brand, notably in South Korea, Japan and China. A dedicated e-commerce site for G/FORE (gfore.co.uk) was also launched in the year. Going forward, the strategy will be to continue to building brand recognition in Europe and further develop the Peter Millar and G/FORE e-commerce sites.

The result for the Company shows a profit before taxation of £10,620,000 for the year (2022: profit of £4,798,000) and revenue of £49,402,000 (2022: £20,110,000). The profit has arisen from continued success of the business in our core markets as well as making progress in developing new markets such as India in the year.

The Statement of Financial Position is set out on page 12. The net assets as at 31 March 2023 were £21,694,000 (2022: £13,106,000). The Directors consider the position of the Company to be satisfactory at year-end.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the Company are considered to relate to currency variation, employee retention, and product availability. However, the Directors of the Richemont group manage the group's risk at a brand level rather than at an individual business unit level. Further discussion of these risks and uncertainties, in the context of the Richemont group as a whole, is provided in the group's annual report which does not form part of this report. Copies of the group's annual report can be found on the Richemont website (www.richemont.com). The financial risk management of the Company is outlined in Note 3 to the financial statements.

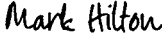
Peter Millar UK Limited

Strategic Report for the year ended 31 March 2023 (continued)

Key performance indicators

The Directors of the Richemont group manage the group's operations on a divisional basis and monitor the performance of the Company at a consolidated brand level. For this reason, the Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the Peter Millar brand, which includes the Company, is discussed within the Business Review section of the Richemont Group Annual Report and Accounts.

The Strategic Report has been approved and is signed on behalf of the board by:

DocuSigned by:

9C3C393DD28E4BC...

M Hilton
Managing Director
20 October 2023

Peter Millar UK Limited

Directors' Report for the year ended 31 March 2023

The Directors submit their report and the audited financial statements of the Company for the year ended 31 March 2023.

Directors and their interests

The Directors of the Company during the year and up to the date of signing the financial statements were:

M. Hilton
R. Brooks
Z. Ghadially

During the year, no Director (2022: none) had a material interest in any contract that was significant in relation to the Company's business.

Results

During the year, the Company made a profit after tax of £8,588,000 (2022: profit after tax of £3,917,000). The statement of comprehensive income is set out on page 11.

The Statement of Financial Position is set out on page 12. The net assets as at 31 March 2023 were £21,694,000 (2022: £13,106,000). The Directors consider the position of the Company to be satisfactory at year-end.

Dividends

No interim dividend has been recommended, paid or declared in respect of the year ended 31 March 2023 (2022: £nil). The directors do not recommend the payment of a final dividend for the year ended 31 March 2023 (2022: £nil).

Financial risk management

For the Company's financial risk management policy please refer to note 3 to these financial statements.

Review of business and future developments

The Directors' review of business and future developments is set out in the Strategic Report on pages 2 and 3.

Contributions

Contributions made by the Company during the year for charitable purposes amounted to £nil (2022: £250). No contributions for political purposes were made during the year (2022: £nil).

Peter Millar UK Limited

Directors' Report for the year ended 31 March 2023 (continued)

Streamlined energy and carbon reporting

The following figures make up the energy and carbon baseline for the company and are reported on a calendar year ("CY") basis. Only current year information is provided as this is the first year that such information is being provided.

Scope 1 consumption and emissions relate to direct combustion of gas and fuels utilized for transportation operations.

Scope 2 consumption and emissions relate to indirect emissions relating to the consumption of electricity in day-to-day business operations. In most cases actual metered consumption has been used.

The company's emissions and energy use in the UK are shown below:

	<u>CY 2022</u>
Energy Consumption used to calculate emissions (in kWh)	177,672
Emissions from combustion of gas (in tonnes of carbon dioxide equivalent tCO ₂ e) – Scope 1	20
Emissions from transportation (in tonnes of carbon dioxide equivalent tCO ₂ e) – Scope 1	6
Emissions from purchased electricity (in tonnes of carbon dioxide equivalent tCO ₂ e) – Scope 2	9
Total gross tCO₂e	35
Revenue (£million)	49,402
Intensity metric (tCO₂e / £m revenue)	0.71

Reporting methodology

The data above has been calculated using electricity and gas meter readings taken monthly. The conversion into tCO₂e uses the current published kWh gross calorific value and kgCO₂e for the relevant year.

Energy efficiency improvements

The company is committed to improving their operational energy efficiency and measures have been planned for the forthcoming years. The company will shortly move to new premises where solar panels have been installed and will provide some of the company's electricity requirements. There are also vehicle charging points to encourage employees to transition to electric cars.

Peter Millar UK Limited

Directors' Report for the year ended 31 March 2023 (continued)

Going concern

The Directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of Compagnie Financière Richemont SA. The Directors have received a letter of support from Compagnie Financière Richemont SA confirming that it will continue to support the Company at least one year from the date of approval of the financial statements.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the 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 auditors are aware of that information.

Peter Millar UK Limited

Directors' Report for the year ended 31 March 2023 (continued)

Directors' insurance

The Group purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of the Company and its Directors.

Independent auditors

The independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office. In the absence of a notice proposing that their appointment be terminated, the independent auditors, PricewaterhouseCoopers LLP, will be deemed re-appointed for the next financial year.


Post balance sheet events

The impact of economic matters that have arisen in 2022, in particular rising inflation, on the regional and global economy remains uncertain and is difficult to assess in terms of duration and severity. For these financial statements, the recent economic matters are considered to be non-adjusting events and consequently there is no impact on the recognition and measurement of assets and liabilities as at 31 March 2023. The Company will continue to monitor market conditions and to evaluate the potential impact, if any, on its operations going forward.

The current conflict between Russia and Ukraine has not affected operations directly. Both countries have had no impact on the Group's sourcing of materials. Locally no sales are permitted to sanctioned Russian individuals which will have an immaterial effect on sales.

There were no other significant events after the balance sheet date.

By Order of the Board

DocuSigned by:

E4092E53F288485...

S. Rajah-Barrett
Company Secretary
20 October 2023

Peter Millar UK Limited

Independent auditors' report to the members of Peter Millar UK Limited

Report on the audit of the financial statements

Opinion

In our opinion, Peter Millar UK Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Statement of Financial Position as at 31 March 2023; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Peter Millar UK Limited

Independent auditors' report to the members of Peter Millar UK Limited (continued)

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Director's Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Director's Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Director's Report for the year ended 31 March 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Director's Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using

Peter Millar UK Limited

Independent auditors' report to the members of Peter Millar UK Limited (continued)

the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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 the Companies Act 2006 and tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. 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 the potential posting of inappropriate journal entries to manipulate financial results.. Audit procedures performed by the engagement team included:

- Discussions with management and those charged with governance, including consideration of any known or suspected instances of non-compliance with laws and regulations and fraud.
- Designing audit procedures to incorporate unpredictability into our testing.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing procedures over any unusual journal entries.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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 by, for example, forgery or intentional misrepresentations, or through collusion.

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

Peter Millar UK Limited

Independent auditors' report to the members of Peter Millar UK Limited (continued)

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Nicola Adlington (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
20 October 2023

Peter Millar UK Limited

Statement of comprehensive income for the year ended 31 March 2023

		2023	2022
	Note	£'000	£'000
Revenue	4	49,402	20,110
Cost of sales		(27,733)	(11,168)
Gross profit		21,669	8,942
Distribution costs		(5,319)	(3,057)
Administrative expenses		(2,731)	(948)
Royalty costs	7	(17)	(14)
Operating profit	8	13,602	4,923
Finance income	9	1,671	527
Finance costs	9	(4,653)	(652)
Profit before taxation		10,620	4,798
Income tax expense	10	(2,032)	(881)
Profit for the Financial Year		8,588	3,917
Other comprehensive income/(expense) for the year		-	-
Total comprehensive income for the financial year		8,588	3,917

The notes on pages 15 to 38 form an integral part of these financial statements.

All operations are continuing.

Peter Millar UK Limited

Statement of financial position as at 31 March 2023

	Note	2023 £'000	2022 £'000
ASSETS			
Non-current assets			
Intangible assets	11	5,248	5,056
Property, plant and equipment	12	470	301
Right of use assets	13	3,865	361
Deferred tax asset	10	181	68
		<u>9,764</u>	<u>5,786</u>
Current assets			
Inventories	14	12,255	4,817
Trade and other receivables	15	13,986	6,051
Cash and cash equivalents	16	153	27
		<u>26,394</u>	<u>10,895</u>
Total assets		<u>36,158</u>	<u>16,681</u>
Non-current liabilities			
Lease liabilities	13	(3,716)	(308)
Other non-current liabilities		-	(2)
		<u>(3,716)</u>	<u>(310)</u>
Current liabilities			
Trade and other payables	17	(10,493)	(3,190)
Lease liabilities	13	(255)	(75)
		<u>(10,748)</u>	<u>(3,265)</u>
Total liabilities		<u>(14,464)</u>	<u>(3,575)</u>
Net assets		<u>21,694</u>	<u>13,106</u>
Equity			
Called up share capital	19	14,400	14,400
Retained Earnings/(Accumulated Losses)		<u>7,294</u>	<u>(1,294)</u>
Total Equity		<u>21,694</u>	<u>13,106</u>

The financial statements on pages 15 to 38 were approved by the Board of Directors and were signed on its behalf by:

DocuSigned by:

 8C3C393DD28E4BC...

M Hilton

Managing Director

Peter Millar UK Limited

Registered number 9144803

20 October 2023

Peter Millar UK Limited

Statement of changes in equity for the year ended 31 March 2023

	Called up share capital (Note 20)	(Accumulated losses)/ Retained Earnings	Total Equity
	£'000	£'000	£'000
At 1 April 2021	14,400	(5,211)	9,189
Profit for the financial year	-	3,917	3,917
At 31 March and 1 April 2022	14,400	(1,294)	13,106
Profit for the financial year	-	8,588	8,588
Other Comprehensive Income	-	-	-
At 31 March 2023	14,400	7,294	21,694

The notes on pages 15 to 38 form an integral part of these financial statements.

Peter Millar UK Limited

Notes to the financial statements for the year ended 31 March 2023

1 Basis of preparation

(a) General information and basis of preparation

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. The financial statements have therefore been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council and with those parts of the Companies Act 2006 applicable to Companies reporting under FRS 101.

Peter Millar UK Limited is a private Company limited by shares, registered and domiciled in England and Wales, United Kingdom. The address of the registered office is 15 Hill Street, London, W1J 5QT, England. These financial statements reflect the year ended 31 March 2023. The comparative period represents the year ended 31 March 2022. The principal activities of the Company are the marketing and sale of luxury consumer products in the United Kingdom ("UK"), Europe and Asia, including apparel and accessories for men and women.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' – comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS16, 'Property, plant and equipment'; and
 - paragraph 118(e) of IAS 38, 'Intangible assets'
- the requirements of the following paragraphs of IAS1, 'Presentaion of financial statements':
 - 10(d), 16,38A, 38B-D, 111 and 134-136
- the requirements of IAS 7 Statement of Cash Flows
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

Where relevant, equivalent disclosures have been given in the group financial statements of Compagnie Financière Richemont SA. The group financial statements of Compagnie Financière Richemont SA are available to the public and can be obtained as set out in note 23.

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

These financial statements have been prepared under the historical cost convention and on a going concern basis. The Company has made a profit in the financial year ending 31 March 2023 and is in a net current asset position for the year then ended. The Directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of Compagnie Financière Richemont SA. The Directors have received a letter of support from Compagnie Financière Richemont SA confirming that it will continue to support the Company at least one year from the date of approval of the financial statements. The preparation of financial statements in conformity with FRS 101, requires the use of certain critical accounting estimates. The areas involving a higher degree of judgement and significant estimates are disclosed in note 2.

Peter Millar UK Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

1 Basis of preparation (continued)

(a) General information and basis of preparation (continued)

Impact of new international reporting standards, amendments and interpretations

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2023. There is no material impact from the adoption of these standards:

- Insurance Contracts - Amended Standard IFRS 17
- IFRS 17 Insurance Contracts - Amendments IFRS 3, IAS 36, IFRS 9, IAS 1, IAS 38, IAS 32, IFRS 17 & IFRS 4
- Initial Application of Comparative Information - Amendments to IFRS 9 & IFRS 17
- Classification of Liabilities as Current or Non-current (Deferral of Effective Date) - Amendments to IAS 1
- Definition of Accounting Estimates - Amendments to IAS 8
- Disclosure of Accounting Policies - Amendments to IAS 1
- International Tax Reform (Pillar Two Model Rules) - Amendments to IAS 12
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IFRS 1 & IAS 12
- Non-current Liabilities with Covenants - Amendments to IAS 1
- Lease Liability in a Sale and Leaseback - Amendments to IFRS 16
- Supplier Finance Arrangements - Amendments to IAS 7 & IFRS 7

(b) Foreign currency translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The financial statements are presented in Sterling, which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates prevailing during the year. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rate of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Peter Millar UK Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

1 Basis of preparation (continued)

(c) Intangible assets

Software

Costs that are directly associated with developing, implementing or improving identifiable software products having an expected benefit beyond one year are recognised as intangible assets and amortised using the straight-line method over their useful lives, not exceeding a period of five years. Costs associated with evaluating or maintaining computer software are expensed as incurred.

Distribution Rights

Distribution rights acquired separately from a business are recognised initially at cost and amortised using the straight-line method over their useful lives, not exceeding a period of 20 years.

(d) Property, plant and equipment

All property, plant and equipment is shown at cost less subsequent depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All repair and maintenance costs are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate the cost of each asset to its estimated residual value over its estimated useful life, up to the limits, as follows:

- IT hardware	20% per annum
- Fixtures, fittings & Equipment	20% per annum

Assets under construction relate to office fixtures under installation, which are depreciated from when the installation is completed.

The assets' residual values and useful lives are reviewed annually, and adjusted if appropriate.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the statement of comprehensive income for the period.

(e) Impairment of assets

All plant, property and equipment, intangible assets and financial assets are tested for impairment whenever events or changes in circumstance indicate that the carrying amount may not be fully recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, less costs to sell, and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

Peter Millar UK Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

1 Basis of preparation (continued)

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. In general, cost is determined on an individual cost basis. Net realisable value is the price at which inventories can be realised in the normal course of business, after allowing for the estimated cost of realisation. Where necessary, provision is made for obsolete, slow moving and defective inventories.

(g) Trade and other receivables

Trade and other receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

The Company applies the simplified approach to measuring expected credit losses ('ECL') based on lifetime ECL, as permitted by IFRS 9. A provision for impairment is established when there is evidence, based on historic experience and knowledge of the Company's customer base that the counterparty is credit impaired or the Company will not be able to collect all amounts due, according to the original terms of receivables. Impairment losses are recognised in the Statement of Comprehensive Income for the period.

(h) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

(i) Taxation

Provision is made in each financial year for all taxation expected to be payable in respect of profits earned during the year.

Deferred income tax is provided using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the date of the statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Peter Millar UK Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

1 Basis of preparation (continued)

(j) Revenue recognition

Goods and services

Sales revenue comprises the fair value of the sale of goods and services including bespoke embroidery, net of value-added tax, duties, other sales taxes and trade discounts. Revenue is recognised when the customer obtains control of the goods. For wholesale customers, depending on the shipping terms, this is either at the point when goods are delivered as the Company remains in control of, and is subject to the related risks of, the delivery process, or when the goods are collected by the customers' agent and the customer takes control of the delivery process. In the case of online retail sales made directly to the end customer, sales are recorded when the goods are delivered to the customer, as the Company remains in control of, and is subject to the related risks of, the delivery process.

Royalty

Royalty income is received from wholesale customers who produce and sell Peter Millar or G/FORE-branded apparel. Royalty income is recognised on an accruals basis in accordance with the substance of the relevant agreements.

Embroidery

The Company offers customers the option to have a club logo embroidered on the clothing supplied and there is a small charge for this service. Embroidery revenue is recognised when the customer obtains control of the goods as detailed above.

The Company does not have any contracts where the period between recognition of revenue and payment by the customer exceeds one year. As a consequence, the Company does not adjust the transaction price for the time value of money.

Where there is a practice of agreement to customer returns, or where we are obliged by local legal requirements, accumulated experience is used to estimate and provide for such returns at the time of sale. Under IFRS15, a gross refund liability for expected returns to customers is recognised as an adjustment to revenue. At the same time, the Company has a right to recover the product from the customer where the customer exercises their right of return and recognises an asset and a corresponding adjustment to cost of sales. The costs to recover the products are historically not material.

The Company provides a standard warranty against manufacturing defects, and recognises its obligation for repairs under this warranty as a provision.

(k) Trade payables

Trade and other payables are initially recognised at fair value, and subsequently measured at amortised cost using the effective interest method.

(l) Provisions

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are made, they are charged to the provision carried in the balance sheet.

Peter Millar UK Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

1 Basis of preparation (continued)

(m) Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

(n) Leases

The company as a lessee

Leases are recognised on a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company in accordance with the policies detailed below.

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a Right of use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives;
- The amount expected to be payable by the lessee under residual value guarantees; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is included in current and non-current liabilities on the balance sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Peter Millar UK Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

1 Basis of preparation (continued)

(n) Leases (continued)

The company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Company did not make any such adjustments during the periods presented.

The Right of use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right of use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the company expects to exercise a purchase option, the related Right of use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included in non-current assets in the balance sheet.

As a practical expedient, IFRS 16 permits a lessee not to separate on-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

2 Critical accounting estimates and judgements

The Company is required to make estimates and assumptions that affect certain statement of financial position and statement of comprehensive income items and certain disclosures regarding contingencies. Estimates and judgements applied by management are continuously evaluated and are based on information available, historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances at the dates of preparation of the financial statements.

Peter Millar UK Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

2 Critical accounting estimates and judgements (continued)

Principal matters where estimates and judgements are made relate in particular to:

- (a) When assessing the net realisable value of inventory, estimation is required regarding the level of future sales volumes and prices. However, a reasonably probable change in the estimates is not expected to result in a material change to the carrying value of inventory as at the balance sheet date;
- (b) The lease payments are discounted using the interest rate implicit in the lease. If the rate cannot be readily determined, the incremental borrowing rate is used, being the rate that the individual lessee would have to borrow funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). No extension options have been included in the lease liabilities;
- (c) the determination of carrying values and useful lives for property, plant and equipment, and intangible assets;
- (d) the calculation of bad debt provisions, which is calculated by reference to the recoverability of a customer's debt and the number of days that the debt is overdue; and
- (e) the recognition of provision for income taxes, including deferred taxation, taking into account the related uncertainties in the normal course of business.

The amounts involved are disclosed elsewhere in the financial statements.

Peter Millar UK Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

3 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk), credit risk and liquidity risk.

(a) Market risk

Foreign exchange risk – the Company operates internationally and has limited exposure to foreign exchange risk, primarily with respect to the US Dollar and Euro. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities. The Company does not seek to hedge this exposure.

(b) Credit risk

The Company has no significant concentrations of credit risk. It has policies in place to ensure that sales of products are made to customers with an appropriate credit history. Credit risk arising from cash and deposits with credit institutions is managed by the Richemont Group.

(c) Liquidity risk

The Company maintains cash balances that are designated to ensure the Company has sufficient funds available for operations and planned expansions.

(d) Price risk

The Company is not exposed, materially, to commodity price risk as generally purchases are intragroup. Any exposure to commodity price risk is therefore managed by the Richemont Group.

(e) Interest rate cash flow risk

As the Company has no significant interest-bearing liabilities nor assets, with the exception of cash, the Company's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate risk arising from cash with credit institutions is managed by the Richemont Group.

Peter Millar UK Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

4 Revenue

	2023 £'000	2022 £'000
Analysis of Revenue by geographical region:		
United Kingdom	10,895	4,067
Europe	7,657	2,494
Middle East	7,836	578
Asia	15,468	12,971
Other	7,546	-
	<u>49,402</u>	<u>20,110</u>

5 Employee benefits and other information

- a) The monthly average number of persons employed by the Company during the year is analysed below:

	2023 Number	2022 Number
Selling	24	11
Administration	14	9
	<u>38</u>	<u>20</u>

- b) Employment costs of all employees included above were:

	2023 £'000	2022 £'000
Wages and salaries	2,465	1,692
Social security costs	261	150
Other pension costs	102	71
Other employee benefits	48	27
	<u>2,876</u>	<u>1,940</u>

Peter Millar UK Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

6 Directors' emoluments

Emoluments of Directors of the Company were:

	2023 £'000	2022 £'000
Aggregate Directors' emoluments	353	323
Defined contribution pension schemes	24	16
	<u>377</u>	<u>339</u>

The highest paid Director received remuneration of £186,000 (2022: £173,000).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £13,000 (2022: £9,000).

Two (2022: two) of the Directors received emoluments including payments to a money purchase pension scheme from the Company in respect of their services to the Company. The above emoluments represent the total emoluments of the Directors of the Company. There were no sums receivable under long term incentive schemes, nor any sums paid to third parties for Directors' services.

Key management personnel consists of the two Directors and two other key managers who received remuneration of £662,000 (2022: £763,000).

7 Royalty costs

	2023 £'000	2022 £'000
Royalty costs	<u>17</u>	<u>14</u>

Peter Millar UK Limited is an official licensee for Ryder Cup merchandise and a royalty is payable on sales of merchandise branded for the Ryder Cup.

Peter Millar UK Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

8 Operating profit

	2023 £'000	2022 £'000
Operating profit is stated after charging/ (crediting):		
Inventory expensed to Cost of sales	24,466	11,665
Net movement in stock provisions	1,584	(284)
Net movement in provision for impairment of receivables	28	28
Depreciation on right of use assets (note 14)	137	75
Low value lease expense	12	3
Employee benefit expenses (note 5)	2,875	1,940
Depreciation of property, plant and equipment (note 13)	251	40
Loss on disposal of property, plant and equipment	-	7
Amortisation of intangible assets (note 12)	367	326
Repairs and maintenance expenditure on property, plant and equipment	38	30
Auditors' remuneration - audit fees	48	34

9 Finance income and finance costs

	2023 £'000	2022 £'000
Finance income:		
Foreign exchange gains	1,671	527
Total Finance income	<u>1,671</u>	<u>527</u>
Finance costs:		
Foreign exchange losses	(4,566)	(614)
Interest on lease liabilities	(33)	(7)
Bank charges	(54)	(31)
Total Finance costs	<u>(4,653)</u>	<u>(652)</u>

Peter Millar UK Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

10 Income tax expense

Analysis of tax charge/(credit) in the year	2023	2022
	£'000	£'000
Current tax		
- UK corporation tax at 19% (2022: 19%)	206	77
- Group relief payable	1,898	788
- Adjustments in respect of prior periods	40	-
- Double taxation relief	(206)	(77)
After double taxation relief	1,938	788
Foreign taxation in respect of Korean withholding tax	206	77
Total current tax charge	2,145	865
Deferred tax		
- Origination and reversal of temporary differences	(77)	42
- Adjustments in respect of prior periods	(36)	-
- Effect of tax rate on opening balance	-	(26)
Total deferred tax (credit)/charge	(113)	16
Tax on profit	2,032	881

Peter Millar UK Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

10 Income tax expense (continued)

There is a tax charge of £2,032,000 for the current year (2022: tax charge of £881,000). The tax charge/(credit) is reconciled to the profit/(loss) before taxation at the standard rate of UK corporation tax below:-

	2023 £'000	2022 £'000
Profit before taxation	10,620	4,798
United Kingdom corporation tax credit for the year at 19% (2022: 19%)	2,018	912
Effects of:		
Fixed asset differences	21	(17)
Expenses not deductible for tax purposes	8	3
Group relief claimed	(1,898)	(788)
Payment for group relief	1,898	788
Adjustments to tax charge in prior periods	40	-
Adjustments to deferred tax charge in prior periods	(36)	-
Remeasurement of deferred tax for changes in tax rates	(19)	(168)
Movement in deferred tax not recognised	-	151
Total tax charge	2,032	881

The deferred tax asset has resulted from fixed asset temporary differences and comprises:

	2023 £'000	2022 £'000
At 1 April	68	84
Deferred tax credited/(charged) to the Income statement for the period	113	(16)
At 31 March	181	68

The tax rate for the current year remained at 19% (2022: 19%).

Peter Millar UK Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

10 Income tax expense (continued)

At Budget 2021, on 3 March 2021, the UK government announced the corporation tax rate will increase from 19% to 25% with effect from 1 April 2023. Businesses with profits of £50,000 or less will continue to be taxed at 19% and a taper above £50,000 will be introduced so that only businesses with profits greater than £250,000 will be taxed at the full 25% rate. These changes were not substantively enacted during the year ended 31 March 2023.

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 25% (2022: 19%). The total recognised deferred tax asset is £181,000 (2022: £68,000). There were unrecognised deferred tax assets in respect of unutilised trade losses and other deductions of £632,000 (2022: £632,000)

Based on information provided by management, the Company is expected to make taxable profits in future years. However no deferred tax assets on brought forward trade losses have been recognised as the Company is expected to first utilise current year losses that are available from other companies within the Richemont UK Group.

Peter Millar UK Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

11 Intangible assets

	Distribution Rights	Software	Total
	£'000	£'000	£'000
Cost			
At 1 April 2022	6,200	99	6,299
Additions	-	559	559
Disposals	-	-	-
31 March 2023	6,200	658	6,858
Accumulated amortisation			
At 1 April 2022	1,144	99	1,243
Charge for the year	325	42	367
Disposals	-	-	-
At 31 March 2023	1,469	141	1,610
Net book value			
At 31 March 2023	4,731	517	5,248
At 31 March 2022	5,056	-	5,056

On 1 April 2017 Peter Millar UK Limited purchased the economic ownership of the Distribution Rights from Peter Millar LLC for consideration of £3,200,000 to be amortised on a straight-line basis until October 2037. Effective 1 February 2020, Peter Millar UK Limited also purchased the economic ownership of the Distribution Rights of the G/FORE brand from Peter Millar LLC for consideration of £3,000,000 to be amortised on a straight-line basis until October 2037. Peter Millar LLC remains the sole and exclusive owner of the trademarks. Amortisation of intangible assets is charged to distribution costs in the statement of comprehensive income.

Peter Millar UK Limited**Notes to the financial statements for the year ended 31 March 2023 (continued)****12 Property, plant and equipment**

	IT hardware	Fixtures, fittings & equipment	Total
	£'000	£'000	£'000
Cost			
At 1 April 2022	86	355	441
Additions	40	380	420
Disposals	(2)	-	(2)
At 31 March 2023	124	735	859
Accumulated depreciation			
At 1 April 2022	55	85	140
Charge for the year	12	239	251
Disposals	(2)	-	(2)
At 31 March 2023	65	324	389
Net book value			
At 31 March 2023	59	411	470
At 31 March 2022	31	270	301

Included within the Fixtures, fittings and equipment additions is an amount of £151,000 for assets under construction. This relates to the fit-out of the Company's offices in Milton Keynes (see note 20).

Depreciation for the year has been charged to both distribution costs and administrative expenses in the statement of comprehensive income.

Peter Millar UK Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

13 Leases

The Company has two commitments (2022: two) under non-cancellable lease contracts relating to offices. Leases are negotiated on an individual basis and may contain escalation clauses, renewal rights and termination options, depending on standard practices and on the Company's desire to maintain flexibility in its asset base.

Amounts recognised in the statement of financial position

The balance sheet shows the following amounts relating to leases:

Right of use assets	2023	2022
	£'000	£'000
Buildings	3,865	361
Vehicles	-	-
	<u>3,865</u>	<u>361</u>
Lease liabilities		
Current	255	75
Non-current	3,716	308
	<u>3,971</u>	<u>383</u>

Additions to the right-of-use assets during the 2023 financial year include £3,644,000 relating to a new office in Milton Keynes (2022: £nil).

Peter Millar UK Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

13 Leases (continued)

Amounts recognised in the income statement

The income statement shows the following amounts relating to leases:

	Note	2023 £'000	2022 £'000
The depreciation charge for the right of use assets:			
Buildings		(137)	(72)
Vehicles		-	(3)
		<u>(137)</u>	<u>(75)</u>
Interest expense (included in finance cost)	9	(33)	(7)
Expense relating to leases of low value assets		<u>(12)</u>	<u>(3)</u>
		<u>(45)</u>	<u>(10)</u>

Future minimum lease payments at 31 March 2023 and 31 March 2022 are as follows:

	2023 £'000	2022 £'000
Not later than one year	405	80
Later than one year and not later than five years	2,130	319
Later than five years	2,246	-
Total gross payments	<u>4,781</u>	<u>399</u>
Impact of finance expenses	<u>(810)</u>	<u>(16)</u>
Carrying amount of liabilities	<u>3,971</u>	<u>383</u>

Peter Millar UK Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

14 Inventories

Inventories comprise:

	2023 £'000	2022 £'000
Goods for resale	<u>12,255</u>	<u>4,817</u>
	<u>12,255</u>	<u>4,817</u>

Inventories are stated after provision for impairment of £1,854,000 (2022: £270,000), which has been recognised as an expense in the Statement of comprehensive income.

15 Trade and other receivables

	2023 £'000	2022 £'000
Trade receivables	13,436	5,924
Less: provision for impairment of receivables	<u>(81)</u>	<u>(55)</u>
Trade receivables – net	13,355	5,869
Amounts owed by group undertakings	19	38
Right of return assets	81	42
Prepayments	199	50
Deposits	<u>332</u>	<u>52</u>
	<u>13,986</u>	<u>6,051</u>

The Directors consider that the carrying amount of trade and other receivables approximates to their fair values.

Trade and other receivables and amounts owed by group undertakings are based on expected cash flows which are not discounted as they are expected to occur within the next 12 months.

Amounts owed by group undertakings are unsecured, interest free, and are repayable on demand.

Trade receivables are stated inclusive of VAT and other sales taxes receivable from customers. Revenue is presented net of VAT and other sales taxes, as required by our accounting policy in note 1(j).

Deposits relate to lease deposits for the Company's offices and warehouse.

Peter Millar UK Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

15 Trade and other receivables (continued)

The Company has provided at year end amounts totalling £81,000 (2022: £55,000) as receivables write down provision. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Company does not hold any collateral as security.

Ageing of trade receivables:

	2023 £'000	2022 £'000
Not overdue	6,789	3,789
Past due less than three months	6,301	2,113
Past due more than three months less than six months	200	22
Past due more than six months	146	-
	<u>13,436</u>	<u>5,924</u>

Movement of the provision for impairment:

	£'000	£'000
At 1 April 2022 and 1 April 2021	55	27
Increase in provision for impairment	67	38
Reversal of unutilised provision	(41)	(10)
At 31 March 2023 and 31 March 2022	<u>81</u>	<u>55</u>

The Company calculates a provision based on expected losses and past experience for each customer. The Company has established credit check procedures that ensure the high creditworthiness of its customers.

Peter Millar UK Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

16 Cash and cash equivalents

	2023 £'000	2022 £'000
Cash at bank and in hand	<u>153</u>	<u>27</u>

Since May 2017, the Company has been a member of the UK Physical Cash Pool, where its bank accounts denominated in GBP, EUR and USD are swept to nil each evening, regardless as to whether the balance is positive or negative. All cash is held with the Cash Pool Leader, Richemont Holdings (UK) Limited, and the Company always has access to funding to meet its obligations as they fall due.

The balance at March 2023 and March 2022 reflects a balance held in Swedish Krona, which is not part of the UK Physical Cash Pool.

17 Trade and other payables

	2023 £'000	2022 £'000
Current liabilities		
Trade payables	1,894	230
Amounts owed to fellow group undertakings	7,020	1,555
Other taxes and social security	244	182
Accruals	843	970
Provisions (note 18)	492	253
	<u>10,493</u>	<u>3,190</u>

Amounts owed to fellow group undertakings are unsecured, interest free, and are repayable on demand.

The Directors consider that the carrying amount of trade and other payables approximates to their fair values. No security has been given by the Company in respect of the creditors detailed above.

Peter Millar UK Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

18 Provisions

	Warranty £'000	Sales return £'000	Total £'000
At 1 April 2021	45	81	126
Additional Provisions	321	107	428
Utilised	(221)	(80)	(301)
At 1 April 2022	145	108	253
Additional provisions	260	197	457
Utilised	(121)	(97)	(218)
At 31 March 2023	284	208	492

Warranty and sales related provisions

The Company has established provisions for warranties and sales returns provided on certain products. Based on past experience a provision of £492,000 (2022: £253,000) has been recognised. It is anticipated that the provisions will be utilised within one year.

19 Called up share capital

	Number of Shares	Value £
Authorised, allotted and fully paid:		
Ordinary shares of £1 each at 1 April 2022	14,400,000	14,400,000
Ordinary shares of £1 each at 31 March 2023	14,400,000	14,400,000

The Company has one (2022: one) class of Ordinary shares, which carry no rights to fixed income.

20 Capital commitments

Capital commitments authorised and contracted at 31 March 2023 amounted to £1,092,000 (2022: £97,000), which is in respect of the refurbishment of the Company's offices in Milton Keynes. Capital commitments authorised but not contracted for at that date amounted to £nil (2022: £nil).

21 Contingencies

At 31 March 2023, the Company had issued a bank guarantee amounting to £280,000 to Her Majesty's Revenue and Customs for the operation of a duty deferment account (2022: £140,000).

The Directors believe that there are no other contingent liabilities.

Peter Millar UK Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

22 Related party transactions

The Directors consider that there are two (2022: two) key managers, whose roles and activities within the Company define them as related parties in accordance with IAS 24, outside the Board of Directors. The remuneration of the Directors is disclosed in note 6 to the financial statements.

23 Ultimate and immediate holding company

The immediate parent undertaking is Richemont Holdings (UK) Limited, a Company incorporated and registered in the United Kingdom.

The Directors regard Compagnie Financière Richemont SA, a listed Company incorporated in Switzerland, to be the ultimate parent Company. Shares representing 50% of the voting rights of that Company are held by Compagnie Financière Rupert which, for the purposes of IAS 24, is regarded by the Directors as the controlling party. Compagnie Financière Richemont SA is the largest and smallest group of related undertakings for which consolidated financial statements are prepared. Copies of the consolidated financial statements of Compagnie Financière Richemont SA may be obtained from: The Secretary, Compagnie Financière Richemont SA, 50 Chemin de la Chenaie, 1293 Bellevue – Geneva, Switzerland.

24 Post Balance Sheet Event

There were no significant events after the balance sheet date.

The impact of economic matters that have arisen in 2022, in particular rising inflation, on the regional and global economy remains uncertain and is difficult to assess in terms of duration and severity. For these financial statements, the recent economic matters are considered to be non-adjusting events and consequently there is no impact on the recognition and measurement of assets and liabilities as at 31 March 2023. The Company will continue to monitor market conditions and to evaluate the potential impact, if any, on its operations going forward.

The current conflict between Russia and Ukraine has not affected operations directly. Both countries have had no impact on the Group's sourcing of materials. Locally no sales are permitted to sanctioned Russian individuals which will have an immaterial effect on sales.