schuh limited

CONSOLIDATED REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 January 2017

Company Registration No. SC 125327

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OFFICERS AND ADVISERS

Board of Directors

Colin Temple (Managing)

David Gillan-Reid (appointed 29 June 2016)

Kenneth Ball

David Spencer

James Estepa

Robert Dennis

Mimi Vaughn

Mark Crutchley (resigned 22 September 2016)

Secretary and Registered Office

David Gillan-Reid

1 Neilson Square

Deans Industrial Estate

Livingston

West Lothian

EH54 8RQ

Auditor

Ernst & Young LLP

G1, 5 George Square

Glasgow

G2 1DY

Solicitors

Morton Fraser, Edinburgh

Slater and Gordon, Manchester

Bankers

Lloyds Bank

1 Lochrin Square

Edinburgh

EH3 9QA

STRATEGIC REPORT

The Directors present their Strategic Report and the audited financial statements for the year ended 28 January 2017.

Principal activity
The principal activity of the group is the sale of footwear through its chain of retail stores and via on-line activities.

Business review
The principal companies within the schuh limited group were schuh limited, schuh (roi) limited and Genesco schuh (GmbH) limited. At 28 January 2017, schuh group operated 128 schuh stores, averaging approximately 5,060 square feet. These stores include both street-level and mall locations in the United Kingdom, the Republic of Ireland and Germany. The schuh group opened its first schuh kids store in 2012/13 and as of 28 January 2017 the group operated 12 schuh Kids stores averaging 2,675 square feet. The schuh group opened 7 net new stores in 2016/17. The schuh group also sells footwear through ecommerce operations.

The financial statements cover a 52 week period with the comparative financial results covering a 52 week period also. The key performance indicators are:

	2017	2016	Change
	£'000	£'000	%
Turnover	280,936	266,808	+5%
Earnings before interest, tax, depreciation and amortisation	27,324	24,403	+12%
Profit after tax	13,367	11,455	+17%
Equity shareholders' funds	54,652	40,871	+34%
Asset investment	8,996	12,523	-28%
Current assets as a % of current liabilities	211%	177%	+19%
Average number of employees	1,761	1,843	-4%
Customer footfall			+5%

Turnover increased by 5% this has been the result of opening 6 new UK stores, 1 store in Germany and the refurbishment of 5. There was also growth of ecommerce sales. An increase in operating profit has been driven by a focus on kids trading. This has resulted in improved product margins. With the translation of euro trade into sterling, the company also benefitted from an exchange gain compared to a loss last year. The company continue to invest in opening new stores and invest in its central operations. As a higher number of stores were opened last year, this year's investment is lower. The main driver behind the increase in current assets as a % of current liabilities relates to a reduced liability to group undertakings. The increase in sales allows for leverage to manage sales and distribution staff at a lower level than last year. Customer footfall has increased in line with turnover growth at 5%.

Future developments for the group include growth of the number of stores in both the UK and Europe and investment in technology to continuously improve our customers online experience, as well as continued investment in central operations for improved efficiency.

More detailed analysis of performance can be found at www.genesco.com as part of our parent company's quarterly and annual U.S. SEC filings.

STRATEGIC REPORT CONTINUED

Principal Risk & Uncertainties

The Board considers the following to be the main risks which could materially affect the business:

- profitability risk: total revenues can be affected by economic factors influencing the overall amount of consumer spend on clothing and footwear and also by fashion trends that can, to some extent, dictate average unit selling prices. The group continually seeks to maintain and improve its revenues through differentiation in its delivery of high standards of customer service. Costs are carefully controlled through commercially sound authorisation procedures and regular, sophisticated management reporting;
- product risk: the group maintains a wide network of suppliers and invests in building long-term relationships with them. Through the buying, stock management and accounts payable teams, regular contact is maintained with every active supplier to ensure continuity of supply. The group also invests heavily in personnel with specialist expertise in footwear construction who maintain the group's high quality standards through a programme of regular visits to manufacturers and extensive product testing. Systems continually monitor and report quantities on order and in stock at item level to ensure the optimum flow of product into the business;
- fraud risk: there are internal control procedures to ensure that detailed checking is carried out in all areas of the business. The company's management reporting systems are designed, in part, to highlight irregularities at all stages of the cycle of cash and stock whilst moving through the business, during the process of disbursement of company funds and as regards the safety and security of company assets;
- operational gearing risk: in line with most retailers, the business has a largely inflexible cost base. In particular, since all our stores are leased, we are subject to increases in rental costs which have, in many cases, outstripped general inflation;
- treasury risk: the main treasury risks arise from exchange rate and interest rate fluctuations. The Board manages these risks by matching currency inflows and outflows and through the use of financial instruments such as forward foreign exchange contracts. No transactions of a speculative nature are undertaken;
- IT risk: the group is dependent on reliable IT systems for managing and controlling the business. The group's IT function oversees all systems and has policies and procedures to protect software, hardware and data and to prevent unauthorised access to systems;
- credit risk: The credit risk on liquid funds is limited because the counter parties are banks with high credit ratings assigned by international credit rating agencies;
- liquidity risk: The group obtains funding for its operations via the Group's bank facilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans;
- interest rate risk: The group has cash at bank which is subject to variable rates of interest. Interest rate risk is regularly monitored and is not considered to be material.

By order of the board

David Gillan-Reid
Director
1 Neilson Square, Deans Industrial Estate, Livingston.
11 May 2017

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the financial year ended 28 January 2017.

Directors
The eight directors who held office during the year are detail within the officers and advisors on page 3.

Dividends
No dividends were paid or proposed during the period (2016: £58.6m).

Employees
Applications for employment are considered based on the aptitude of prospective applicants, whether disabled or not. The group's policy is to, as far as possible, provide continued training and support to any member of staff who should become disabled but is still able to perform their job. Training and promotion opportunities for individuals will be unaffected by disability, provided they demonstrate the appropriate aptitude and ability. schuh is an equal opportunities employer and has a Dignity at Work policy in place, which seeks to prevent any discrimination on the grounds of age; race; disability; gender reassignment; marriage or civil partnership; pregnancy and maternity; religion or belief; sex; or sexual orientation. The group consults with its employees on an annual basis at all locations and provides information to all employees on the financial and economic factors affecting the group's performance.

Political contributions
Neither the company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year.

EU regulations
In line with the UK implementation of the European Directive regarding packaging waste regulations, schuh limited is fully compliant through its membership of a Department of Environment approved collective compliance scheme.

Going concern
The financial statements are prepared on a going concern basis. The group meets its day to day working capital and longer term funding requirements through term loans, all repayable by September 2019. These loan facilities are subject to compliance with certain financial covenants relating to interest cover, gearing and debt service cover and the group has been compliant with the relevant covenants and conditions, both during the financial period and after the period end. The directors have prepared projected cash flow information for the period ending twelve months from the date of their approval of these financial statements. These cash flows demonstrate that the group will continue to meet its liabilities as they fall due and operate within the bank's facilities currently agreed and will continue to meet the capital and interest repayments as they fall due.

Disclosure of information to auditors
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Future developments and outlook
The directors intend to keep moving the business forward via a combination of new store openings, both within the United Kingdom and in mainland Europe, and continued investment in the company's ecommerce capabilities.

Auditor
Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and Ernst & Young LLP will therefore continue in office.

By order of the board

David Gillan-Reid
Director
1 Neilson Square, Deans Industrial Estate, Livingston.
11 May 2017

STATEMENT OF DIRECTORS' RESPONSIBILITIES
In respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Strategic Report, the Directors' 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 group and parent company and of their profit or loss for that period.

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and parent company's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCHUH LIMITED

We have audited the financial statements of schuh limited for the year ended 28 January 2017 which comprise the Consolidated Profit and Loss and Other Comprehensive Income Statement, the Consolidated and Parent Company Balance Sheets, the Consolidated and Company Statement of Changes in Equity, the Consolidated Cash Flow Statement and the related notes 1 to 28. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland".

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 auditors' 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.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Consolidated Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 28 January 2017 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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.

Ernst & Young LLP

Annie Graham (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Glasgow
11 May 2017

CONSOLIDATED PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME
for the year ended 28 January 2017

	Note	52 Weeks 2017 £000	52 Weeks 2016 £000
Turnover	*2*	**280,936**	266,808
Cost of sales		**(242,826)**	(227,199)
Gross profit		**38,110**	39,609
Administrative expenses		**(11,659)**	(17,931)
Other operating income	*3*	**874**	2,725
Earnings before interest, tax, depreciation and amortisation		**27,324**	24,403
Depreciation		**(9,248)**	(9,189)
Impairment of tangible fixed assets		**(650)**	-
Amortisation		**(860)**	(54)
Profit on ordinary activities before interest and tax		**16,566**	15,160
Interest receivable	*8*	**32**	7
Interest payable and similar charges	*9*	**(798)**	(833)
Profit on ordinary activities before taxation		**15,800**	14,334
Tax on profit on ordinary activities	*11*	**(2,433)**	(2,879)
Profit for the financial year	*22*	**13,367**	11,455
Other comprehensive income			
Foreign exchange differences on translation of foreign operations		**167**	(22)
Total comprehensive income		**13,534**	11,433

CONSOLIDATED BALANCE SHEET
at 28 January 2017

	Note	28 January 2017 £000	30 January 2016 £000
Fixed assets			
Intangible assets	13	1,821	1,708
Tangible assets	14	42,185	43,995
		44,006	45,703
Current assets			
Stocks	16	34,510	31,649
Debtors	17	16,515	13,507
Cash at bank and in hand	18	17,117	18,305
		68,142	63,461
Creditors: amounts falling due within one year	19	(32,338)	(35,779)
Net current assets		35,804	27,682
Total assets less current liabilities		79,810	73,385
Debtors: amounts falling due after more than one year	17	1,112	1,133
Creditors: amounts falling due after more than one year	20	(26,270)	(33,647)
Net assets		54,652	40,871
Capital and reserves			
Called up share capital	22	206	206
Contributed equity	22	247	-
Share premium account	22	124	124
Revaluation reserve	22	212	212
Capital redemption reserve	22	412	412
Profit and loss account	22	53,451	39,917
Shareholders' funds	22	54,652	40,871

The notes on pages 14 to 27 form part of these financial statements.

These financial statements were approved by the board of directors on 11 May 2017 and were signed on its behalf by:

David Gillan-Reid
Director

COMPANY BALANCE SHEET
at 28 January 2017

	Note	28 January 2017 £000	30 January 2016 £000
Fixed assets			
Tangible assets	13	39,036	40,765
Intangible Assets	14	4,416	4,508
		43,452	45,273
Current assets			
Stocks	16	31,328	28,922
Debtors	17	20,075	17,110
Cash at bank and in hand		16,868	17,709
		68,271	63,741
Creditors: amounts falling due within one year	19	(29,916)	(34,558)
Net current assets		38,355	29,183
Total assets less current liabilities		81,807	74,456
Debtors: amounts falling due after more than one year	17	1,116	1,143
Creditors: amounts falling due after more than one year	20	(25,877)	(33,406)
Net assets		57,046	42,193
Capital and reserves			
Called up share capital	22	206	206
Contributed equity	22	247	-
Share premium account	22	124	124
Revaluation reserve	22	8	8
Capital redemption reserve	22	412	412
Profit and loss account	22	56,049	41,443
Shareholders' funds	22	57,046	42,193

The notes on pages 14 to 27 form part of these financial statements.

These financial statements were approved by the board of directors on 11 May 2017 and were signed on its behalf by:

David Gillan-Reid
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
at 28 January 2017

	Note	Called up share capital	Contributed Equity	Share premium account	Revaluation reserve	Capital redemption reserve	Profit & loss account	Total shareholders' funds
		£000	£000	£000	£000	£000	£000	£000
Balance at 30 January 2016	22	206	-	124	212	412	39,917	40,871
Profit for the year							13,367	13,367
Other comprehensive income	22						167	167
Total comprehensive income for the year							13,534	13,534
Transactions with owners, recorded directly in equity								
Share capital issued	7 & 22		247	-	-	-	-	247
Total contributions by and distributed to owners	22	-	247	-	-	-	-	247
Balance at 28 January 2017	22	206	247	124	212	412	53,451	54,652

COMPANY STATEMENT OF CHANGES IN EQUITY
at 28 January 2017

	Note	Called up share capital	Contributed Equity	Share premium account	Revaluation reserve	Capital redemption reserve	Profit & loss account	Total shareholders' funds
		£000	£000	£000	£000	£000	£000	£000
Balance at 30 January 2016	22	206	-	124	8	412	41,443	42,193
Profit for the year							14,606	14,606
Total comprehensive income for the year	22						14,606	14,606
Transactions with owners, recorded directly in equity								
Share capital issued	7 & 22	-	247	-	-	-	-	247
Total contributions by and distributed to owners	22	-	247	-	-	-	-	247
Balance at 28 January 2017	22	206	247	124	8	412	56,049	57,046

CONSOLIDATED CASH FLOW STATEMENT
at 28 January 2017

	Note	52 Weeks 2017 £000	52 Weeks 2016 £000
Reconciliation of operating profit to net cash inflow from operating activities			
Profit for the year		16,566	15,160
Adjustments for:			
Depreciation, amortisation and fixed asset impairment	*13 & 14*	10,758	9,243
Loss on disposal of fixed assets	*14*	316	453
		27,640	24,856
Changes in working capital			
Increase in stocks	*16*	(2,861)	(2,200)
(Increase)/decrease in debtors		(4,561)	64,001
Decrease in creditors		(4,300)	(27,693)
		15,918	58,964
Interest paid	*9*	(798)	(833)
Tax refund/(paid)		61	(923)
Net cash inflow from operating activities		15,181	57,208
Cash flows from investing activities			
Interest received	*8*	32	7
Acquisition of tangible and intangible fixed assets	*14*	(8,996)	(12,523)
Net cash from investing activities		(8,964)	(12,516)
Cash flows from financing activities			
Dividends		-	(58,631)
Issue of share options		247	-
Repayment of loans		(7,438)	(1,250)
Proceeds from new loan		-	17,500
Net cash from financing activities		(7,191)	(42,381)
Net (decrease)/increase in cash and cash equivalents		(974)	2,311
Cash and cash equivalents at beginning of period	18	18,305	16,048
Effect of exchange rate fluctuations on cash held		(214)	(54)
Cash and cash equivalents at end of period	18	17,117	18,305

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

schuh Limited (the "company") is a company limited by shares and incorporated and domiciled in the UK.

These Group and parent company financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland *("FRS 102")* as issued in August 2014. This applies from the transition date of the 2nd February 2014. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included a second time;
- Key Management Personnel compensation has not been included a second time; and
- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.2 *Revenue Recognition*

Revenue is recognised to the extent that the group obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised.

- Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods; and
- the amount of revenue can be measured reliably; and
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from interest income is recognised as interest accrues using the effective interest method.

Revenue from dividends is recognised when the group's right to receive payment is established.

1.3 *Going Concern*

After reviewing the Group's forecasts and projections, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

1.4 *Basis of consolidation*

The consolidated financial statements include the financial statements of the company and its subsidiary undertakings made up to 28 January 2017. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activates. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

Under S408 of The Companies Act 2006 the company is exempt from the requirement to present its own profit and loss account.

In the parent financial statements, investments in subsidiaries are carried at cost less impairment.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. Accounting policies (continued)

1.5 *Foreign currency*

Transactions in foreign currencies are translated to the Group companies' functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the financial currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on retranslation are recognised in other comprehensive income.

1.6 *Basic financial instruments*

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

1.7 *Other financial instruments*

Financial instruments not considered to be Basic financial instruments (Other financial instruments)

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition, other financial instruments are measured at fair value with changes recognised in profit or loss except as follows:

- investments in equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably shall be measured at cost less impairment; and
- hedging instruments in a designated hedging relationship shall be recognised as set out below.

1.8 *Tangible assets*

Tangible fixed assets are stated at deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of tangible fixed assets that had been revalued to fair value on or prior to the date of transition to FRS 102, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible assets, for example land is treated separately from buildings.

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

Buildings	- 10 to 40 years
Short leasehold land & buildings	- shorter of remaining period of lease or 10 years
Fixtures, fittings, and equipment	- 5 to 10 years or remaining period of lease
Computer Equipment	- 4 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefit.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. Accounting policies (continued)

1.9 *Intangible assets*

Internally generated assets - Research and development expenditure

Research costs are expensed in the Profit and loss account as incurred. Development expenditure incurred on an individual project is capitalised only if all of the following criteria are demonstrated:

- An asset is created that can be identified (such as software);
- It is probably that the asset created will generate future economic benefits; and
- The development costs of the asset can be measured reliably.

Following the initial recognition of development expenditure, the cost is amortised over the estimated useful life of the asset created. Amortisation commences on the date that the asset is brought into use.

Software	- 3 years

1.10 *Business combinations*

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the entity.

At the acquisition date, the group recognises goodwill at the acquisition date as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration (see below); plus
- the fair value of the equity instruments issued; plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

When the excess is negative, this is recognised and separately disclosed on the face of the balance sheet as negative goodwill.
Consideration which is contingent on future events is recognised based on the estimated amount if the contingent consideration is probable and can be measured reliably. Any subsequent changes to the amount are treated as an adjustment to the cost of the acquisition.

Goodwill

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or group of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

Negative Goodwill

Negative goodwill arising on business combinations in respect of acquisitions is included on the balance sheet immediately below any positive goodwill and released to the profit and loss account in the periods in which the non-monetary assets arising on the same acquisition are recovered. Any excess exceeding the fair value of non-monetary assets acquired shall be recognised in profit or loss in the periods expected to benefit.

Amortisation

Management has decided to apply the first time adoption exemption not to restate its goodwill balances at the date of transition. Consequently any adjustments made to goodwill lives are prospective. After initial recognition, goodwill will be carried at cost less accumulated amortisation and impairment which is in compliance with FRS 102 .18 .19. We consider the life of goodwill to remain as 20 years and therefore will continue to apply the amortisation profile applicable under the previous UK GAAP. Goodwill is amortised on a straight line basis over its useful life.

1.11 *Stocks*

Stocks are stated at the lower of cost and estimated selling price less costs to sell. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their location and condition.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. Accounting policies (continued)

1.12 *Impairment excluding stocks*

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment is reversed through profit and loss.

Non-financial assets

The carrying amounts of the entity's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is an indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGU's or groups of CGU's on a non-arbitrary basis the impairment of goodwill is determined using the recoverable amount of the acquired entity, or if it has been integrated then the entire group of entities into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGU's are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.13 *Employee benefits*

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

1.14 *Provisions*

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the parent Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability in its individual financial statements until such time as it becomes probable that the company will be required to make a payment under the guarantee.

1.15 *Judgements and key sources of estimation and uncertainty*

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

IT development expenditure

IT development expenditure is capitalised in accordance with the accounting policy given below. Initial capitalisation of costs is based on management's judgement that development enhances the technical capabilities of the software and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised management makes assumptions regarding the expected future cash generation of the assets and the expected period of benefits.

Operating lease commitment

The group has entered into commercial property leases as a lessee it obtains use of property, plant and equipment. The classification of such leases as operating or finance lease requires the group to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

Goodwill and intangible assets

The group establishes a reliable estimate of the useful life of goodwill and intangible assets arising on business combinations. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected usual life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

Impairment of non-financial assets

Where there are indicators of impairment of individual assets, the group performs impairment tests based on an value in use calculation. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as expected future cash flows and the growth rate used for extrapolation purposes.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. Accounting policies (continued)

1.16 *Turnover*

Turnover represents the amounts (excluding value added tax) derived from the sale of goods to customers, net of discounts, during the period.

1.17 *Expenses*

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Finance Lease

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Interest receivable and interest payable

Interest payable and similar charges include interest payable on bank loans.

Other interest receivable and similar income include interest receivable on funds invested.

Interest income and interest payable are recognised in profit and loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net

1.18 *Share-Based Payments*

The group's parent issues equity settled share-based payments to certain employees which must be measured at fair value and recognised as an expense in the profit and loss account with a corresponding increase in equity (treated as a capital contribution from the parent company).

The fair values of these payments are measured at the dates of grant using pricing models, taking into account the terms and conditions upon which the awards are granted. The fair value is recognised over the period during which employees become unconditionally entitled to the awards subject to an estimate of the number of awards which will lapse, either due to employees leaving employment prior to vesting or due to non-market based performance conditions not being met.

1.19 *Taxation*

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustments to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

2. Turnover by geographical market

	52 Weeks 2017 £000	52 Weeks 2016 £000
UK	251,542	244,067
Europe	29,394	22,741
	280,936	266,808

3. Other operating income

	52 Weeks 2017 £000	52 Weeks 2016 £000
Amortisation of lease incentives	2,471	2,512
Rent received	117	103
Intercompany management charge	-	14
Other operating income	91	96
	874	2,725

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. Expenses and auditors' remuneration

Included in the profit and loss are the following:

		52 Weeks 2017 £000	52 Weeks 2016 £000
Operating lease charges		**28,477**	26,271
Impairment of inventories		**103**	388
Inventories included in cost of sales		**142,294**	135,884
Auditor's remuneration:	- audit of these financial statements	**69**	70
	- audit of financial statements of subsidiaries	**20**	38
	- other assurance services	**16**	7

5. Staff numbers and costs

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

	Average Number of employees 2017	2016
Administration	**255**	241
Sales and distribution	**1,506**	1,602
	1,761	1,843

The aggregate payroll costs of these persons were as follows:

	2017 £000	2016 £000
Wages and salaries	**38,550**	36,843
Social security costs	**2,272**	2,238
Pension costs	**1,201**	1,108
	42,023	40,189

6. Share Based Payments

Employee restricted stock

On 30 August 2016 certain employees were included within the Genesco Inc restricted stock plan. 8,360 restricted shares were allocated to schuh employees as part of a long term incentive scheme. The shares can be exercised over a period of 4 years if the employee remains in service at each anniversary, with an equal amount exercised each year. The exercise price of the stock is equal to the average share price on the date of grant, which was £57.55 per share. There is no cash settlement alternative.

Group

The expense recognised for share-based payments in respect of restricted stock received during the year to 28 January 2017 is £251k.

The following information illustrates the number and movements in, share options during the year

Restricted stock plan	**2017** No.
Outstanding at 31 January 2016	-
Granted during the year	8,360
Outstanding at 28 January 2017	8,360
Vested at 28 January 2017	-

Company

The expense recognised for share-based payments in respect of restricted stock received during the year to 28 January 2017 is £247k.

7. Directors' remuneration

	52 Weeks 2017 £000	52 Weeks 2016 £000
Directors' emoluments:		
Remuneration as executives	**806**	5,639
Pension contributions	**108**	86
	914	5,725

The emoluments, excluding pension contributions, of the highest paid director were £313,243 *(2016: £2,551,521).* Pension contributions of £48,146 *(2016: £22,686)* were made to a defined contribution pension plan on their behalf.

Retirement benefits accrue to 5 directors *(2016: 4)* under defined contribution pension plans. 4 directors are accruing share options under a long term incentive scheme.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. Other interest receivable and similar income

	52 Weeks 2017	52 Weeks 2016
	£000	£000
Bank interest receivable	32	7

9. Interest payable and similar charges

	52 Weeks 2017	52 Weeks 2016
	£000	£000
On bank loan	798	833

10. Company profit and loss

	52 Weeks 2017	52 Weeks 2016
	£000	£000
Profit/(loss) for the company	14,606	(47,207)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

		52 Weeks 2017		52 Weeks 2016
	£000	£000	£000	£000
Current tax				
Current tax on income for the period	2,455		-	
Adjustments in respect of prior periods	(8)		(1,257)	
Foreign tax suffered	47		99	
Foreign tax suffered in respect of previous periods	(8)		-	
Total current tax		2,486		(1,158)
Deferred tax (see note 12)				
Origination and reversal of timing differences	(202)		2,785	
Effects of changes in tax rate	89		105	
Adjustments in respect of prior periods	60		1,147	
Total deferred tax		(53)		4,037
Total tax expense included in profit and loss		2,433		2,879

Reconciliation of effective tax rate	52 Weeks 2017	52 Weeks 2016
	£000	£000
Profit for the year	13,367	11,455
Total tax expense	2,433	2,879
Profit excluding taxation	15,800	14,334
Tax using the UK corporation tax rate of 20% *(2016: 20.16%)*	3,160	2,890
Expenses not deductible	661	627
Income not taxable	(146)	(166)
Effects of group relief/other relief	(1,503)	(775)
Transfer pricing adjustments	-	244
Deferred tax not recognised	396	130
Adjustments from previous periods	33	(115)
Tax rate changes	89	105
Share Options	(14)	-
Impact of overseas tax rates	(243)	(61)
Total tax expense included in profit and loss	2,433	2,879

Reductions in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. This will reduce the company's future current tax charge accordingly. The deferred tax asset at the balance sheet date has been calculated based on these rates.

12. Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2017	2016	2017	2016	2017	2016
Group	£000	£000	£000	£000	£000	£000
Accelerated capital allowances	(1,112)	(1,120)	-	-	(1,112)	(1,120)
Short term timing differences	(76)	(13)	-	-	(76)	(13)
Tax (assets) / liabilities	(1,188)	(1,133)	-	-	(1,188)	(1,133)
Net of tax liabilities/(assets)	-	-	-	-	-	-
Net tax assets	(1,188)	(1,133)	-	-	(1,188)	(1,133)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. Intangibles

Group	Software	Goodwill	Total
	£000	£000	£000
Cost at 30 January 2016	3,019	1,177	4,196
Additions for the year	973	-	973
	3,992	1,177	5,169
Amortisation and impairment			
Balance at 30 January 2016	1,779	709	2,488
Amortisation for the year	806	54	860
Balance at 28 January 2017	2,585	763	3,348
Net book value			
At 30 January 2016	1,240	468	1,708
At 28 January 2017	1,407	414	1,821

In consideration of a reliable estimate, the group reviewed the remaining useful life and deemed the estimate of 20 years to continue to be the appropriate useful life. Under transition to FRS 102 the amortisation period will continue to be 20 years with 7 years remaining at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. Tangible fixed assets

Group	Land and buildings £000	Short leasehold land and buildings £000	Fixtures fittings and equipment £000	Total £000
Cost or deemed cost				
Balance at 30 January 2016	12,558	10,881	66,759	90,198
Additions	-	1,945	6,078	8,023
Disposals	-	(253)	(1,485)	(1,738)
Effect of movements in foreign exchange	-	85	877	962
Balance at 28 January 2017	12,558	12,658	72,229	97,445
Depreciation and impairment				
Balance at 30 January 2016	4,691	4,142	37,370	46,203
Depreciation charge for the year	237	971	8,040	9,248
Disposals	-	(23)	(1,399)	(1,422)
Impairments	-	134	516	650
Effect of movement in foreign exchange	-	30	551	581
Balance at 28 January 2017	4,928	5,254	45,078	55,260
Net book value				
Balance at 28 January 2017	**7,630**	**7,404**	**27,151**	**42,185**
Balance at 30 January 2016	7,867	6,739	29,389	43,995

Company	Land and buildings £000	Short leasehold land and buildings £000	Fixtures fittings and equipment £000	Total £000
Cost or deemed cost				
Balance at 30 January 2016	12,542	9,915	59,939	82,396
Additions	-	1,840	5,244	7,084
Disposals	-	(242)	(1,485)	(1,727)
Balance at 28 January 2017	12,542	11,513	63,698	87,753
Depreciation				
Balance at 30 January 2016	4,687	3,894	33,050	41,631
Depreciation charge for the year	237	895	7,310	8,442
Disposals	-	(23)	(1;399)	(1,422)
Impairments	-	9	57	66
Balance at 28 January 2017	4,924	4,775	39,018	48,717
Net book value				
Balance at 28 January 2017	**7,618**	**6,738**	**24,680**	**39,036**
Balance at 30 January 2016	7,855	6,021	26,889	40,765

As a result of business conditions the carrying values of several stores, have been compared to their recoverable amounts, represented by their value in use to the group. This resulted in an impairment in the year of £650k (group) and £66k (company).

The value in use has been derived from discounted cash flow projections using a pre-tax discount rate of 12.5%. Cash flows have been projected over the remaining lease terms based on management's most recent business forecast. After that a steady growth rate of between 1-3% has been assumed which is consistent with the average industry growth rate.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. Fixed asset investments

	Share in group undertakings
Company	**£000**
Cost	
Balance at 28 January 2017	**3,008**

The undertakings in which the Group's and Company's interest at the year-end is more than 20% are as follows.

	Country of incorporation	Principal activity	Class and percentage of shares held
Subsidiary undertakings			
schuh (ROI) Limited	Republic of Ireland	Sale of footwear	100%
Genesco schuh GmbH	Germany	Sale of footwear	100%

16. Stocks

	Group		Company	
	2017	2016	**2017**	2016
	£000	£000	**£000**	£000
Goods for resale	**34,510**	31,649	**31,328**	28,922

At 28 January 2017 provisions against inventories held was £578k *(2016: £472k)*

17. Debtors

	Group		Company	
	2017	2016	**2017**	2016
	£000	£000	**£000**	£000
Due within one year:				
Trade debtors	**3,184**	2,907	**3,000**	2,665
Other debtors	**207**	190	**207**	144
Amounts due from group undertakings	**4,575**	-	**4,833**	1,085
Due from Genesco schuh (GmbH) limited	**-**	-	**4,700**	3,011
Deferred tax (see note 12)	**76**	-	**76**	-
Corporation tax repayable	**-**	1,629	**-**	1,835
Prepayments and accrued income	**8,473**	8,781	**7,259**	8,370
	16,515	13,507	**20,075**	17,110
Due outwith one year:				
Deferred tax (see note 12)	**1,112**	1,133	**1,116**	1,143
	17,627	14,640	**21,191**	18,253

18. Cash and cash equivalents

	52 Weeks 2017	52 Weeks 2016
	£000	£000
Cash and cash equivalents per cash flow statements	**17,117**	**18,305**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

19. Creditors: amounts falling due within one year

	Group		Company	
	2017	2016	**2017**	2016
	£000	£000	**£000**	£000
Trade creditors	**12,715**	12,942	**12,443**	12,844
Bank loan	**1,563**	1,250	**1,563**	1,250
Other taxes and social security	**3,162**	4,471	**2,683**	4,228
Amounts due to group undertakings	**838**	5,180	**838**	5,180
Other creditors	**4,308**	2,421	**3,808**	2,055
Accruals and deferred income	**8,831**	9,515	**7,856**	9,001
Corporation tax payable	**921**	-	**725**	-
	32,338	35,779	**29,916**	34,558

20. Creditors: amounts falling due after more than one year

	Group		Company	
	2017	2016	**2017**	2016
	£000	£000	**£000**	£000
Accruals and deferred income	**7,145**	6,772	**6,752**	6,531
Bank loan	**19,125**	26,875	**19,125**	26,875
	26,270	33,647	**25,877**	33,406

21. Interest-bearing loans and borrowings

This note provides information about the contractual terms of the group's and parent company's interest bearing loans and borrowings, which are measured at amortised cost.

	Group		Company	
	2017	2016	**2017**	2016
	£000	£000	**£000**	£000
Creditors falling due more than one year				
Secured bank loans	**19,125**	26,875	**19,125**	26,875
Creditors falling due within less than one year				
Secured bank loans	**1,563**	1,250	**1,563**	1,250

The bank loan is secured by a bond and floating charge over the assets of the group. The loan is repayable over 3 years. Interest rates are 2.5% above LIBOR.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

22. Capital and reserves

Share capital

In thousands of shares	Ordinary shares of £1 each	"B" Ordinary shares of £1.46 each	Contributed equity of £57.55 each
On issue at 30 January 2016	133	73	247
On issue at 28 January 2017	133	73	247

	2017 £000	2016 £000
Allotted, called up and fully paid		
133,492 ordinary shares of £1 each	133	133
8,360 share options of £57.55 each	247	-
50,000 "B" ordinary shares of £1.46 each	73	73
	453	206

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Shareholders' funds

Group	Share Capital £000	Contributed Equity £000	Capital redemption reserve £000	Revaluation reserve £000	Share premium account £000	Profit and loss account £000	Total shareholders' funds £000
Balance at 30 January 2016	206	-	412	212	124	39,917	40,871
Other comprehensive income							
Profit for the financial year	-	-	-	-	-	13,367	13,367
Share options issued	-	247	-	-	-	-	247
Foreign exchange differences	-	-	-	-	-	167	167
Total other comprehensive income	-	247	-	-	-	13,534	13,781
Balance at 28 January 2017	206	247	412	212	124	53,451	54,652

Company	Share capital £000	Contributed Equity £000	Capital redemption reserve £000	Revaluation reserve £000	Share premium account £000	Profit and loss account £000	Total shareholders' funds £000
Balance at 30 January 2016	206	-	412	8	124	41,443	42,193
Other comprehensive income							
Profit for the financial year	-	-	-	-	-	14,606	14,606
Share options issued	-	247	-	-	-	-	247
Total other comprehensive income	-	247	-	-	-	14,606	14,853
Balance at 28 January 2017	206	247	412	8	124	56,049	57,046

NOTES TO THE FINANCIAL STATEMENTS (Continued)

23. Financial Instruments

	Group		Company	
	52 Weeks 2017	52 Weeks 2016	**52 Weeks 2017**	52 Weeks 2016
The carrying amounts of the financial assets and liabilities include:	**£000**	£000	**£000**	£000
Assets measured at amortised cost				
Trade and other debtors	**17,627**	14,640	**21,191**	18,253
Assets measured at cost less impairment				
Goodwill	**413**	468	**-**	-
Liabilities measured at amortised cost				
Loans	**20,688**	28,125	**20,688**	28,125
Trade and other creditors	**37,920**	41,301	**35,105**	39,339

24. Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Group		Company	
	2017	2016	**2017**	2016
	£000	£000	**£000**	£000
Less than one year	**25,210**	599	**21,730**	599
Between one and five years	**102,315**	20,291	**87,191**	20,291
More than five years	**73,009**	145,855	**54,105**	122,793
	200,534	166,745	**163,026**	143,683

(i) During the year £28,476,788 was recognised as an expense in the profit and loss account in respect of operating leases *(2016: £26,270,936)*
(ii) Company commitments on foreign currency forward buy contracts at 28 January 2017 were £240,024 *(2016: £166,369).*

25. Contingencies

As a result of the schuh group's refinancing exercise during 2010 a fixed and floating charge was granted over certain of the group's assets in favour of Lloyds Banking Group. The company has entered into a cross guarantee to the group's bank in respect of the borrowings of its parent and fellow subsidiaries. The total contingent liability at 28 January 2017 in respect of group borrowings was £26,438,000 *(2016: £37,875,000).*

26. Capital Commitments

Amounts contracted for but not provided in the financial statements amounted to £556k for the group.

27. Related Parties

The company has taken advantage of the exemption in FRS 102 not to disclose transactions with other group companies which meet the criteria that all subsidiary undertakings which are party to the transactions are wholly owned by the ultimate parent undertaking. The subsidiaries included within the accounts are schuh ROI limited and Genesco schuh GmbH. The total amount due and payable upon demand from subsidiaries is £5,673m, no interest is chargeable. The company has not transacted with any other related parties in the period.

28. Ultimate parent undertaking and parent undertaking of larger group of which the company is a member

The group is a subsidiary undertaking of schuh group limited incorporated in Scotland, The group consolidated financial statements of schuh group limited are available to the public and may be obtained from Companies House or 1 Neilson Square, Deans Industrial Estate, Livingston, Scotland, United Kingdom.

schuh group limited is a subsidiary undertaking of Genesco UK Limited which in turn is a subsidiary of Genesco Inc. which is the ultimate parent company. Genesco Inc. is incorporated in the United States and its most recent financial statements are available from its website.