

Shoo 635 Limited
(Company registration number: 12596607)
Annual Report and Financial Statements
for the 52 weeks ended 30 June 2024



Shoo 635 Limited
(Company registration number: 12596607)
Annual Report and Financial Statements
for the 52 weeks ended 30 June 2024

Director and Advisers

Director	Michael Samuel Mark
Company registration number	12596607
Registered Office	Classic House, Martha's Buildings, 180 Old Street, London, EC1V 9BP, England
Independent Auditor	Deloitte LLP Statutory Auditor Abbots House Abbey Street Reading Berkshire RG1 3BD United Kingdom

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for the 52 weeks ended 30 June 2024

Director's Report

The Director presents the report and audited annual financial statements for the 52 weeks ended 30 June 2024 (the "current period").

These annual financial statements are in compliance with the Companies Act 2006 and applicable accounting standards in the United Kingdom including FRS 101. The current period represents the 52 week period from 3 July 2023 to 30 June 2024. The Company has taken advantage of the small companies' exemption under S414B of the Companies Act 2006 and has not prepared a Strategic Report.

Principal activities and review of business

The principal activity of Shoo 635 Limited (the "Company") is the holding and licensing of the Truworhs UK Holdco 1 Limited group's intellectual property and similar rights, excluding copyright works. This includes utility models, rights to inventions, copyright and neighbouring and related rights, trademarks and service marks, business names and domain names, rights in get-up and trade dress, goodwill and the right to sue for passing off or unfair competition, rights in designs, database rights, rights to use, and protect the confidentiality of, confidential information (including know-how and trade secrets) and all other intellectual property rights (collectively referred to as intellectual property rights).

Results and dividends

The profit for the current period was £3.4 million (2023: £3.5 million). As at 30 June 2024 the company had net assets of £9.6 million (2023: £6.3 million).

The Director does not recommend payment of an ordinary dividend (2023: £nil).

Future developments

The director is not aware, at the date of this report, of any likely changes in the company's core activities in the forthcoming year. The company will remain as an entity licensing the use of intellectual property and similar rights.

Disclosure of information to auditors

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

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- (2) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006. Deloitte LLP has expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Director

The director who held office during the period and up to the date of signing was as follows:

- Michael Samuel Mark

Director's indemnities

As permitted by the Company's Articles of Association, the Director has the benefit of an indemnity which is a qualifying third party indemnity provision as defined by section 234 of the Companies Act 2006. The indemnity is currently in force. The Group of which the Company is a subsidiary purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of its Director.

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Director's Report

Going concern statement

The Director believes that preparing the financial statements on a going concern basis is appropriate. In making this assessment, the directors have undertaken a review of future forecast profitability and liquidity, considering the general economic outlook. This forecast covers at least 12 months from the date of financial statement approval. In conducting this review the directors have applied appropriate downside sensitivities in order to evaluate the effect of potential changes in the marketplace, and the impact of wider economic factors on customer behaviour and supply chain costs.

The director, after reviewing the financial forecasts and net asset position of the company, have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and as such the going concern basis continues to be adopted in preparing the financial statements.

Financial Risk Management

The Company's principal financial instruments comprise receivables and payables from/to related parties.

Liquidity risk

Management's objectives in this regard are to retain sufficient liquid funds to enable the Company to meet its day-to-day obligations as they fall due. Detailed reporting and cash forecasting ensures that the Company's liquidity is maintained in the short and medium term.

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. Receivables are all with related parties.

Cash flow risk

The Company's activities do not expose it to the financial risk of changes in foreign currency exchange rates and interest rates. Both trade receivables and payables are with inter-group companies and are non interest-bearing.

Statement of Director's responsibilities

The director is responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulation.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 101 "Reduced Disclosure Framework".

Under company law, the director 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 director is required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

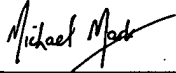
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Director's Report

This report has been signed and approved on behalf of the Board of Directors by:



Michael Samuel Mark
Director
6 March 2025

Shoo 635 Limited

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Independent auditors' report to the members of Shoo 635 Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Shoo 635 Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30 June 2024 and of its profit for the 52 week period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the related notes 1 to 13.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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Independent auditors' report to the members of Shoo 635 Limited

Responsibilities of directors

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

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

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

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.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included Employment Law, Bribery Act, and General Data Protection Regulation (GDPR).

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

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Independent auditors' report to the members of Shoo 635 Limited

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

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



Colette Richmond ACA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Reading, United Kingdom

6 March 2025

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Statement of Comprehensive Income

Figures in British Pounds (£'000)	Note	52 weeks ended 30 June 2024	52 weeks ended 2 July 2023
Revenue	3	4,501	4,399
Gross profit		4,501	4,399
Administrative expenses		(3)	(17)
Operating profit		4,498	4,382
Finance income	4	1	9
Profit before income taxation		4,499	4,391
Income tax expense	6	(1,117)	(900)
Profit for the financial period		3,382	3,491
Other comprehensive income/(expense)		-	-
Total comprehensive income		3,382	3,491

The accounting policies and notes on pages 12 to 18 form part of these financial statements.

All of the amounts included in the profit and loss account are derived from continuing operations. 100% of the profit for the year is attributable to the equity shareholders of the company.

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Statement of Financial Position as at 30 June 2024

Figures in British Pounds (£'000)	Note	2024	2023
Assets			
Non-current assets			
Intangible assets	7	7,000	7,000
Total non-current assets		7,000	7,000
Current assets			
Trade and other receivables	8	3,054	1,736
Cash and cash equivalents		16	22
Tax receivable		-	13
Total current assets		3,070	1,771
Total assets		10,070	8,771
Capital, Reserves and Liabilities			
Capital and reserves			
Called up share capital	9	-	-
Retained earnings	9	9,639	6,257
Total equity		9,639	6,257
Liabilities			
Current liabilities			
Trade and other payables	10	3	2,225
Other taxation		338	289
Tax payable		91	-
Total current liabilities		431	2,514
Total liabilities		431	2,514
Total equity and liabilities		10,070	8,771

The financial statements of Shoo 635 Limited, registration number 12596607, were approved by the Board of Directors on 6 March 2025 and signed on its behalf by:



Michael Samuel Mark
Director
6 March 2025

The accounting policies and notes on pages 12 to 18 form part of these financial statements.

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Statement of Changes in Equity for the year ended 30 June 2024

Figures in British Pounds (£'000)	Share capital	Retained earnings	Total
Balance as at 3 July 2022	-	2,766	2,766
Total Comprehensive Income:			
Profit for the financial period	-	3,491	3,491
Balance as at 2 July 2023	-	6,257	6,257
Total Comprehensive Income:			
Profit for the financial period	-	3,382	3,382
Balance as at 30 June 2024	-	9,639	9,639

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Accounting Policies

1. General Information

Shoo 635 Limited (the "Company") is a private company limited by shares incorporated and domiciled in the United Kingdom under the Companies Act 2006. The address of the registered office is Classic House Martha's Buildings, 180 Old Street London, England, EC1V 9BP.

The Company's principal activity is the holding and licensing of the use of the Truworths UK Holdco 1 Limited group's intellectual property and similar rights, excluding copyright works.

2. Summary of significant accounting policies

Basis of preparation of financial results

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

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ("FRS 101") and the Companies Act 2006 except for the departure from the Companies Act explained in the accounting policy for intangible assets.

The financial statements have been prepared on a going concern basis under the historical cost convention, in accordance with the Companies Act 2006, and are presented in Pounds Sterling.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial Instruments: Disclosures';
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), (statement of cash flows),
 - 16 (statement of compliance with all IFRS),
 - 38A (requirement for minimum of two primary statements, including cash flow statements),
 - 38B-D (additional comparative information),
 - 111 (cash flow statement information), and
 - 134-136 (capital management disclosures);
- IAS 7, 'Statement of cash flows';
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- The requirements of IAS 24, 'related party disclosures' to disclose related party transactions entered into between two or more members of a group and remuneration of key management personnel; and
- Paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36, 'Impairment of assets' (disclosures when the recoverable amount is fair value less costs of disposal, assumptions involved in estimating recoverable amounts of cash-generating units containing goodwill or intangible assets with indefinite useful lives, and managements approach to determining these amounts).

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Accounting Policies

2. Summary of significant accounting policies (continued)

Intangible assets

Intellectual and similar rights are recognised at cost which approximates their fair value at the acquisition date. The Company owns and licenses the use of all the intellectual property and similar rights (excluding copy rights) to the Truworths International Limited group. As at the reporting date, management believes that there is no foreseeable limit to the period over which these intangible assets are expected to generate net cash inflows for the Company and they are therefore considered to have an indefinite useful life. The Company does not amortise intellectual and similar rights with indefinite useful lives in accordance with the requirements of IFRS as applied under FRS 101. Instead an annual impairment test is performed and any impairment that is identified is recognised in the Statement of Profit or Loss. The non-amortisation conflicts with paragraph 22 of Schedule 1 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations' 2008 (SI 2008/410), which requires such rights to be written off over their useful economic life. As such, the non-amortisation is a departure, for the overriding purpose of giving a true and fair view, from the requirement of paragraph 22 of Schedule 1 to the Regulations. It is not possible to quantify the effect of the departure from the Companies Act Regulations, because a finite life for the intellectual and similar rights has not been identified. However, the effect of amortising over a useful life of 10 years would be a charge of £0.7 million against operating profit, and a reduction of £0.7 million in the carrying value of intangible assets in the balance sheet.

Accounting policies and methods of computation

The accounting policies and methods of computation applied in the preparation of these financial statements comply with FRS 101.

Going Concern

The Director believes that preparing the financial statements on a going concern basis is appropriate. In making this assessment, the directors have undertaken a review of future forecast profitability and liquidity, considering the general economic outlook. This forecast covers at least 12 months from the date of financial statement approval. In conducting this review the directors have applied appropriate downside sensitivities in order to evaluate the effect of potential changes in the marketplace, and the impact of wider economic factors on customer behaviour and supply chain costs.

The directors, after reviewing the financial forecasts and net asset position of the company, have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and as such the going concern basis continues to be adopted in preparing the financial statements.

Critical accounting estimates and judgements

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are set out below.

Estimates

Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested bi-annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. 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 of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Intangible assets comprise the intellectual property rights of the Truworths UK Holdco 1 Limited group. The Company licences the use of these rights to other companies in the Truworths International Limited group. Intangible assets have been tested for impairment using the economic use method to determine their value-in-use. Based on this method management believes that there is no indication that the intangible assets should be impaired. The value-in-use is most sensitive to the underlying sales made by the Truworths International Limited group companies under this license, being the primary driver of the valuation of the intellectual property rights. Refer to note 7 for further detail.

Critical accounting judgements

The directors do not consider there to be any critical judgements which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

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Accounting Policies

2. Summary of significant accounting policies (continued)

Foreign currency translation

The functional and presentation currency of the Company is considered to be Pounds Sterling because that is the currency of the primary economic environment in which the Company operates.

Translation of foreign currency transactions and balances

Transactions in foreign currencies are translated to the company's functional currency at exchange rates prevailing at the date of the transaction. Subsequent to initial measurement, monetary assets and liabilities are translated at exchange rates prevailing at the reporting date. Non-monetary items carried at cost are translated using the exchange rate at the date of the transaction, whilst assets carried at fair value are translated at the exchange rate when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translation of monetary items at rates different from those at which they were translated at initial recognition are recognised in profit or loss. Exchange differences on non-monetary items carried at fair value are recognised in profit or loss, except where the fair value adjustments are recognised in other comprehensive income, in which case the translation differences arising are recognised in other comprehensive income.

Revenue

Revenue represents royalty amounts receivable from the Company's principal activity net of VAT and is recognised as the underlying sales occur. The total turnover of the Company for the period from 3 July 2023 to 30 June 2024 has been derived from its principal activity undertaken in the United Kingdom and South Africa.

Trade and other receivables

Trade and other receivables represent amounts owed to the Company, are non-interest bearing and are initially recognised at fair value and subsequently stated at amortised cost using the effective interest rate method, where the impact is material. They are included in current assets, except for those with maturities greater than 12 months after the end of the reporting year.

Trade and other payables

Trade and other payables are non-interest bearing and are initially recognised at fair value and subsequently stated at amortised cost using the effective interest rate method, where the impact is material. They are included in current liabilities, except for those with maturities greater than 12 months after the end of the reporting year.

Income tax

Income tax comprises current and deferred tax. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year from 3 July 2023 to 30 June 2024, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to taxes payable in respect of previous periods.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the amounts used for taxation purposes. Temporary differences are not provided for in respect of the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date and which are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

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Accounting Policies

2. Summary of significant accounting policies (continued)

IFRS, amendments and International Financial Reporting Interpretations Committee (IFRIC) interpretations

Various IFRS, amendments and IFRIC interpretations that have been issued and are not yet effective have been considered by the Company, and it was determined that they are either not applicable to the Company or will not have a material impact on the Company's financial reporting. These IFRS, amendments and IFRIC interpretations are listed below:

Description	Effective date
IAS 1 amendment: Classification of liabilities as current or non-current	1 January 2024
IAS 1 amendment: Non-current liabilities with covenants	1 January 2024
IFRS 16 amendment: Lease liability in a sale and leaseback	1 January 2024
IAS 7 and IFRS 7 amendments: Supplier finance arrangements	1 January 2024
IAS 21 amendment: Lack of exchangeability	1 January 2025

The following IFRS may have a material impact on the Group's financial reporting, and are being assessed for adoption in future

Description	Effective date
IFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027

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Notes to the Company Financial Statements

Figures in British Pounds (£'000)

3. Revenue

Revenue arises from the royalties charged for the use of the Company's intellectual property.

Revenue analysis by geographical market

The analysis by geographical area of the Company's revenue is set out below:

	52 weeks ended 30 June 2024	52 weeks ended 2 July 2023
United Kingdom	4,338	4,249
South Africa	163	150
Total revenue	4,501	4,399

4. Finance income

On bank deposits

	52 weeks ended 30 June 2024	52 weeks ended 2 July 2023
On bank deposits	1	9
	1	9

5. Auditors' remuneration:

Fees in relation to the statutory audit of the Company are borne by a related group company, Office Holdings Limited. Audit fees for the 52 week period ended 30 June 2024 are estimated at £13,000 (2023: £nil), but no recharge of audit fees has been made in the current or prior year. There were no non-audit fees payable to the company's auditor for the 52 week period ended 30 June 2024 (2023: £nil).

6. Income tax expense

The tax charge comprises:

UK corporate tax

Total current tax for the period

	52 weeks ended 30 June 2024	52 weeks ended 2 July 2023
UK corporate tax	1,117	900
Total current tax for the period	1,117	900
Taxation charge on profits	1,117	900

Factors affecting the tax charge for the period

Profit before taxation

Profit before taxation multiplied by the standard tax rate of 25.0% (2023: 20.5%)

Effects of:

Assessed loss utilised in Group

Taxation for the year

	52 weeks ended 30 June 2024	52 weeks ended 2 July 2023
Profit before taxation	4,499	4,391
Profit before taxation multiplied by the standard tax rate of 25.0% (2023: 20.5%)	1,125	900
Effects of:		
Assessed loss utilised in Group	(8)	-
Taxation for the year	1,117	900

The total tax on profit consists of corporation tax. The tax on profit before tax for the period is 25% (2023: 20.5%). Tax losses carried forward are nil as at the balance sheet date (2023: £nil).

In the 2021 UK Finance Budget, the Chancellor announced an increase to UK corporation tax from 19% to 25% with effect from 1 April 2023. The corporation tax applied in 2023 was a weighted sum of the former rate of 19% and the new rate of 25% across the period.

Update on Global Minimum Tax

Following the introduction of the Organisation for Economic Co-operation and Development ("OECD") Global Anti-Base Erosion Model Rules in 2021, which set a global minimum corporate tax rate of 15% for multinational entities, The UK has already implemented the main rules and a domestic minimum tax for accounting periods starting after 31 December 2023. The Company will continue to monitor and evaluate the impact of the OECD Global Minimum Tax on its financial statements from 1 July 2025, taking into account additional guidance and regulations from tax authorities.

7. Intangible assets

Closing balance as at 30 June 2024 and 2 July 2023

	2024	2023
Closing balance as at 30 June 2024 and 2 July 2023	7,000	7,000

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7. Intangible assets (continued)

Intangible assets comprise the Intellectual property rights of the Truworths UK Holdco 1 Limited group. The Company licences the use of these rights to other companies in the Truworths International Limited group. Intangible assets have been tested for impairment using the economic use method to determine their value-in-use. Based on this method management believes that there is no indication that the intangible assets should be impaired.

Management has performed a sensitivity analysis on the recoverable amount of the intangible asset by adjusting key assumptions in the value-in-use calculation, including the sales growth rate, pre-tax discount rate, and terminal growth rate. The analysis indicates that the recoverable amount is highly sensitive to changes in these assumptions. A reduction in store sales growth by 2.5% per annum and online sales growth by 5% per annum would reduce the value-in-use; however, there remains significant headroom over the carrying value of the intangible asset. Additionally, a 1% increase in the pre-tax discount rate or a 0.5% reduction in the terminal growth rate would also materially impact the valuation while there remains significant headroom over the carrying value of the intangible asset. The sensitivity arises because the sales growth rate directly affects projected revenue, which drives future cash flows in the value-in-use model. A lower sales growth assumption reflects potential macroeconomic pressures, changing consumer behavior, and market competition. Similarly, the discount rate is a key assumption as it incorporates market risk, risk-free rates, and company-specific risk factors, making it highly sensitive to economic conditions. The terminal growth rate is also a critical factor, as it determines long-term value expectations beyond the forecast period, and any changes in industry trends or macroeconomic outlook could significantly affect the recoverable amount.

Management continuously monitors macroeconomic conditions, interest rate movements, and industry-specific trends to reassess these key assumptions. The discount rate and risk-free rate are reviewed in line with market fluctuations, while sales projections are updated based on actual performance trends. There have been no significant changes in the methodology for calculating the value-in-use compared to the prior year, but adjustments have been made to reflect revised market expectations.

8. Trade and other receivables

Amounts due from related group undertakings

Accrued income

2024

2023

3,015

1,702

39

34

3,054

1,736

The amounts due from related group undertakings are unsecured, non-interest bearing and repayable on demand. The fair value of trade and other receivables is not materially different to their carrying value and all are presented as current assets.

9. Reserves

The following describes the nature and purpose of each reserve within shareholders' equity. Details of movement in the reserves are contained in the statement of changes in equity.

Company share capital

Allotted, called up and fully paid

number

Ordinary share of £1.00 each

1

1

As at 2 July 2023 and 30 June 2024

1

1

Share capital

Represents the total paid up capital of the Company amounting to £1.00 for 1 share in Shoo 635 Limited, the Company.

Retained earnings

Cumulative net gains recognised in the Company Statement of Comprehensive Income.

10. Trade and other payables

Amounts due to related group undertakings

Accrued expenses

2024

2023

-

2,225

3

-

3

2,225

Amounts due to related group undertakings are unsecured, non-interest bearing and repayable on demand. The fair value of trade and other payables is not materially different to their carrying value as the impact of discounting is not significant.

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11. Related party relationships and transactions

(a) Identity of related parties

The immediate parent company of the Company and the smallest company to consolidate its results is Truworths UK Holdco 1 Limited, incorporated in England and Wales. The financial statements of the Truworths UK Holdco 1 Limited group are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ. The ultimate parent company of Shoo 635 Limited, as well as its ultimate controlling party and the largest company to consolidate its results, is Truworths International Limited, incorporated in South Africa. The financial statements of this company are available to the public and may be obtained from the company secretary, No.1 Mostert Street, CBD, Cape Town, 8001, South Africa and the company website www.truworths.co.za/reports. Full details of other related subsidiaries are given in the financial statements of Truworths International Limited and Truworths UK Holdco 1 Limited.

The financial statements of Shoo 635 Limited are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ, Wales.

(b) Transactions with related parties

The Company has taken advantage of the exemption available in FRS 101 whereby it has not disclosed transactions with the ultimate parent company or any subsidiary undertaking of that company.

12. Employees and directors

The Company had no employees during the period. The Company paid no remuneration to the director during the year and the director received no remuneration in his capacity as director of the Company.

13. Events after reporting period

No events occurring after the reporting period have been identified that would require adjustment of, or disclosure in, these financial statements.