Company Number: 00303062

UNBOUND GROUP

Unbound Group plc

Annual Report and Financial Statements
for the 12 months to 31 January 2023

Contents

Strategic report

Principal activities and overview

"Whilst the year to 31 January 2023 was challenging for the Group, despite the best endeavours of the Board the subsequent impact of these challenges became critical with the administration of Hotter Shoes in July 2023. Since then we have sought to find a way forward that will deliver some value to shareholders.

A reverse take-over transaction that will give existing shareholders the opportunity to realise value for their shares over time as well as the opportunity to invest in an attractive and growing business is being investigated and should it prove possible to progress this will be put to shareholders shortly."

The principal activity of the Company is that of a holding company. Together with its subsidiary undertakings (the "Group"), the principal activity is that of retailing footwear and related products.

The year to 31 January 2023 was very much a year of two halves. Hotter Shoes' trading in the first half of the year reflected the optimism in the Chairman's report last year with revenue growth of 10% and investment in the implementation of our strategy for both Hotter Shoes and the Unbound Platform.

As the year progressed the gathering economic storm developing as a consequence of Russia's invasion of Ukraine became increasingly clear. With the valued support of new and existing shareholders we raised £3.4m gross equity in August 2022 in order to fund strategic development and provide improved balance sheet resilience.

In the second half of the year the impact of global events was compounded by a series of UK focussed events ranging from the death of Her Majesty the Queen in September to the Autumn Fiscal Statement in early October and the December Royal Mail strikes. Each of these events had a significant impact our business – resulting our revenue expectations being reduced and the Board having a greater focus on managing costs. First half sales growth of 10% was followed by second half sales decline of 1%. This trading position combined with the capital investment conducted and committed to in the first half of the year left the Group entering the new year with significantly less cash than planned.

In order to improve the resilience and performance of the business in this challenging environment the Board implemented a structured cost reduction program from the start of the fourth quarter. The ambition of the program was to reduce operating costs by £2.4m pa of non-retail / non marketing costs by the end of 2023. The implementation of this program was faster and deeper than originally targeted however it became clear that the combination of debt and creditor balances in combination with anticipated trading conditions left the status-quo position untenable.

As such, in Q4 2022 the Board accelerated a review of the Operating Structure of the business.

This was focussed on three areas:

1. Optimisation of the Hotter product portfolio
2. Resolution of strategic questions over Hotter's US and EU businesses
3. The degree of short term focus on further development of the Unbound Platform in the current trading environment

The Board's principal findings and actions arising from the operating review:

1. The Board believed that in the short term the greatest opportunity for resilient and profitable growth came from the simplification of the business with a focus on development of the core Hotter brand within the UK market
2. The opportunity for growth was grounded in rebalancing the product portfolio offering a wider choice of comfort footwear styles regardless of manufacturing technique. As such the proportion of product purchased as 'finished goods' continued to increase progressively from the c10% in the autumn winter collection 2022/23, through c25% in the spring summer 2023 collection to >50% targeted for the autumn winter collection 2023/24. The Board considered that the development of the product portfolio arising from this will significantly improve product appeal and will in due course improve margins.
3. The Group immediately temporarily ceased its loss-making direct to consumer sales to customers in the US and EU (other than Ireland). This contributed c 11% of revenue in FY23. The Board continued to investigate opportunities to service and grow our US consumer base profitably in future through an alternative operating model.
4. Whilst the Board remained confident in the opportunity of the Unbound Partnership Platform its further development was paused to allow focus on the more rapidly incremental growth opportunities available from the core Hotter business in the short term.

Despite the impact of the cost reductions and operating review being to significantly improve profitability from the start of 2023 the balance sheet position of the Group was such that additional funding was required. Whilst Hotter Shoes continued to pursue its Covid 19 business interruption insurance claim, a claim that if successful would have resolved the funding position, the delays to resolution of that claim had a material impact on the solvency of the Group and necessitated further action.

The lending banks had agreed to defer covenant tests as a result of the Group's anticipated breach of the covenant tests due to the deterioration in trading conditions in the second half of the year ended 31 January 2023 and the beginning of the year ending 31 January 2024. The lending banks however remained supportive of the Company throughout the period covered by these accounts and throughout the period up until the administration of Beaconsfield Footwear Limited.

From the beginning of 2023 the Board engaged with advisors over the actions necessary to secure the future of the Group. The Board fully explored all options including formal restructuring, recapitalisation and the sale of all or part of the Group.

Regrettably, despite the significantly improved performance of Hotter Shoes and the Group in 2023 the Board was unable to find a solution to the issues facing Hotter Shoes and in July 2023 Beaconsfield Footwear Limited T/A Hotter Shoes entered administration.

The Administration of Hotter Shoes left the assets of Unbound Group plc much diminished and with negligible free cash. Whilst Unbound Group plc continued to have investment assets considered to have value in excess of its creditors these assets are long term and illiquid in nature. As such the Board has worked closely with Unbound's creditors in recent months to enable the Group to find a solvent solution.

In these circumstances the future viability of the Group is uncertain. Whilst the Board intends to pursue both realisation of the long-term assets of the Company and completion of a transaction utilising the assets and characteristics of the Company to deliver value, there is currently no certainty that such a transaction will be deliverable. Without such a transaction there is no obvious basis on which to consider the company as being a 'going concern'. As such these accounts for the period are prepared on a basis other than a going concern.

Further, six months after suspension of trading of Unbound Group plc's shares on AIM, on 18 January 2024 the Company's listing on AIM was cancelled. In the short term this allows the Company to further reduce costs in seeking an attractive long term solution. Should a transaction prove to be deliverable the Board will consider the attractiveness of seeking re-listing in light of the conditions at that time.

The Board hopes to be in a position to propose a transaction to shareholders in the coming months that provides a solvent solution for creditors and shareholders alike, giving shareholders the opportunity to realise value for their existing holdings over time and to invest in an attractive opportunity should they so wish.

Following the administration of Beaconsfield Footwear Limited, Unbound Group has no further direct interest in Beaconsfield Footwear Limited's ongoing Covid-19 insurance claim (that is now being pursued by the Administrators of Beaconsfield Footwear Limited). A solvent solution for Unbound does however give the opportunity to consider and if appropriate pursue a claim against the insurers of Beaconsfield Footwear Limited for the significant implications of unreasonable delay in settlement of the Beaconsfield claim. Whilst claims for indirect losses arising from unreasonable delay under s13.A of the Insurance Act are untested the Board is considering pursuing such a claim with advisors acting on a contingent basis.

In light of the possibility of a claim under s13.A of the Insurance Act ultimately being successful, the Board will seek to structure any future transaction in such a way as to ringfence the benefit of that claim in whole or in part for the benefit of Unbound Group plc shareholders at the time of suspension in July 2023.

Given the circumstances outlined above, from July 2023 onwards cost minimisation has been paramount. This has resulted in the reduction in the number of Directors below what is normally required for a plc. The Board intends reconstituting an appropriately sized Board as soon as is possible in the circumstances of the Company.

Business and Financial Review

Basis of Presentation of Report and Accounts

Unbound Group plc transitioned onto AIM as a trading group with effect from 1 February 2022. Throughout the prior period, from 1 October 2020 to 31 January 2022 the Company operated as a private equity investment trust focused on the final stages of the portfolio realisation strategy formally adopted in October 2018. Throughout most of that prior period the Company was named Electra Private Equity PLC.

Given the transition from Investment Trust to Trading Group International Financial Reporting Standards require that the figures within the Financial Statements for the period to 31 January 2023 are presented as Consolidated Financial Statements incorporating the results of the parent company and its subsidiaries from 1 February 2022 whereas the comparator figures for the period to 31 January 2022 are reported as presented previously – under Investment Company reporting where the parent company's investments were measured at fair value.

As Electra Private Equity PLC, the Company was an investment trust listed on the FTSE Main Market as an investment company under Listing Rule 15, it followed the UK Corporate Governance Code and with financial reporting as an investment company. In ceasing to be both an investment company and an investment trust, the Company had no automatic right to move from being listed on the FTSE Main Market under Listing Rule 15 (Investment Companies) to remaining on the Main Market under Listing Rule 6 (Consolidated Groups). As such the Directors concluded that in transitioning to Unbound a relisting on AIM was appropriate given the size and nature of Unbound. Unbound was a trading group and so traded on AIM between 1 February 2022 and 17 July 2023, the date on which Beaconsfield Footwear Limited entered administration.
The principal trading entity of the Group (Beaconsfield Footwear Limited trading as Hotter Shoes) operated throughout both the year to 31 January 2023 and the year to 31 January 2022 as a trading business and as such appropriate comparators are used in the non-statutory analysis (below) for Hotter Shoes for these periods.

The operation of the Group during the period to 31 January 2023 can be categorised within three headings:

1. The trading activities of Beaconsfield Footwear Limited, ('Hotter') – C below
2. The development and implementation of the Unbound Trading Platform – B below
3. Unbound Group – PLC costs – A below

The impact of each is considered below and shows which activities contributed to the loss arising in the year.

Summarised non-statutory key financial information (£m):

	A+B+C	A	B	C		
£m	***Unbound Group Consolidated***	***Unbound Group Costs***	***Unbound Trading Activity***	***Hotter Shoes***	Hotter Shoes	Hotter Shoes change
Year to 31 January	**2023**	**2023**	**2023**	**2023**	**2022**	
Revenue	***54.1***			***54.1***	51.8	+4.4%
Gross Profit	***32.3***			***32.3***	32.1	+0.6%
Gross Margin	***59.8%***			***59.8%***	61.9%	-2.1%
Distribution costs	***(2.8)***			***(2.8)***	(2.8)	-
Administrative expenses (note 2)	***(31.9)***	***(0.8)***	***(0.6)***	***(30.5)***	(27.5)	+10.9%
Brand amortisation	***(1.5)***	***(1.5)***				
Operating (loss)/ profit – pre exceptional (note 1)	***(3.9)***	***(2.3)***	***(0.6)***	***(1.0)***	1.8	
Depreciation/amortisation	***3.2***			***3.2***	3.8	
Brand amortisation	***1.5***	***1.5***				
EBITDA – pre exceptional	***0.8***	***(0.8)***	***(0.6)***	***2.2***	5.6	
Rents (note 3)	***(2.0)***			***(2.0)***	(1.8)	
Adjusted EBITDA (post rents and pre exceptionals – notes 1 & 2)	***(1.2)***	***(0.8)***	***(0.6)***	***0.2***	3.8	-94.7%
Net Debt (excluding leases)	***£8.9m***			***£8.9m***	£6.6m	+2.3
Inventory	***£5.7m***			***£5.7m***	£4.8m	+0.9

In the above table and throughout this document references to Hotter Shoes refer to the trading activities of Beaconsfield Footwear Limited. The comparatives for Hotter are unaudited as the Beaconsfield Footwear Limited accounts for the year ended 31 January 2022 were prepared under FRS 102 and these comparatives include pro forma adjustments that were consistent with the adjustments made in the financial information presented in the AIM listing particulars.

Note 1 – Alternative performance measures are defined on page 10

Note 2 – Costs exclude the £1.5m amortisation of the brand asset arising as a result of the acquisition accounting

Note 3 – Rents paid are shown in the cashflow statement as principal and interest paid on lease liabilities (£1.5m + £0.5m)

Hotter Shoes

Throughout the first half of FY23 Hotter traded strongly with year-on-year growth of 10.4%. As the year progressed the impact on the UK consumer of the inflationary environment due to the Russian invasion of Ukraine on top of the post pandemic and post Brexit environment became increasingly significant. In the second half of the year the challenging underlying trading conditions were compounded by a sequence of UK centric events that impacted significantly on the buying activity of the group's core customer demographic – the 55+ consumer. As a consequence, second half revenues were 1.2% below the prior period resulting in full year revenue growth of 4.4%.

Throughout the first half of the year the company invested significantly in upgrading its e-commerce platform. This investment combined with the over-lay of deteriorating revenue performance in the second half and the scheduled £1m bank debt repayment resulted in a deteriorating cash position throughout the second half of the year.

Administrative costs before depreciation and exceptionals increased by £3.0m (11%) over last year as a result of the following main drivers:

- 2022 benefitted from COVID support income of £1.0m
- Premises costs increased by £0.9m with £0.2m down to rental charges where 2022 benefitted from credits from the finalisation of agreements with landlords following rent adjustments agreed post Covid and £0.6m due to rates following the end of the COVID support arrangements. We were able to limit utility cost increases to only £0.1m
- Insurance costs increased by £0.3m
- Website development costs not capitalised increased by £0.3m as we invested in the e-commerce platform to align with the Unbound strategy.

Early in the fourth quarter of the year a formalised cost reduction program was initiated to reduce operating costs to a sustainable level given the challenging trading position and the loss arising in the year. This review was extended to become an Operating Review – to determine the optimal areas of focus given financial constraints. Post period end this resulted in:

- Focus on already profitable activities – the optimisation of the Hotter brand in the UK
- Suspension of sales into the US and EU (other than Ireland)

As a consequence of these decisions to exit certain markets the valuation ascribed to e-commerce resources operating in these markets has been reviewed and written down to an appropriate level.

Unbound Trading Platform

On admission to AIM a key strategic aim of the Group was to utilise its c29% market penetration within the 55+ female consumer sector to sell products other than Hotter Shoes. In H1 FY23 the Unbound Trading Platform was developed to follow a partnership model in which partner brand products were sold on the platform with Unbound Group earning a commission on all sales.

The platform was technically launched on schedule in July 2023 with nine partner brands listed and a further pipeline of brands in varying stages of joining.

In the second half of the year the combination of cash constraints within Unbound Group and challenging market conditions requiring partner brands to focus on their core distribution channels resulted in the marketing and commercial development of the platform being paused.

A decision to suspend commercial development of the platform until such time as the Group has the financial resource to grow that part of the business profitably was taken. As such the carrying value of the intangible assets associated with the platform was impaired pending the market conditions being appropriate to rebuild this aspect of the business. This led to an impairment of £2.6m being charged to the profit and loss account.

Unbound Group PLC Costs

Unbound Group PLC incurred total costs of £2.0m including costs associated with the transition to AIM and certain costs associated from its transformation from a regulated investment company to an AIM listed trading company of which £1.2m are treated as being exceptional.

The 'non-exceptional' PLC costs of £0.8m were subsequently reduced to approximately £0.4m per annum before share based payment charges through closure of the Group's London Head Office during the year ended 31 January 2023, reduction in Board costs and other cost saving initiatives.

KPIs – Unbound Group Trading activities (Hotter Shoes)

	12 months ended 31 January 2023	**12 months ended 31 January 2022 (unaudited)**	***Change %***
	£m	**£m**	
Revenue	54.1	51.8	+4.4%
Gross profit	32.3	32.1	+0.6%
Gross margin	59.8%	62.0%	-2.2%
Operating loss pre exceptionals (note 1)	(1.0)	1.8	n/a
Adjusted EBITDA (post rents and pre exceptionals) (note 1)	**0.2**	**3.8**	**-94.7%**

Note 1: Alternative Performance measures are defined on page 10

	12 months ended 31 January 2023	**12 months ended 31 January 2022**	***Change %***
Web site visits (000s)	18,332	18,345	0.1%
Conversion rate % (note 1)	3.4%	3.6%	-0.2%
No. of orders (000s) – all channels	893	912	+2.1%
Average order value (note 2)	£60.54	£57.56	+5.2%
Active Customer base (000s) (note 3)	861	869	-0.9%
New customers gained (000s)	175	147	+19.0%

Note 1 - Calculated as total orders divided by total visits
Note 2 - Calculated as total revenue generated divided by total orders
Note 3 - Defined as having shopped in the last 24 months as at end of the period

	12 months ended 31 January 2023	12 months ended 31 January 2022 Unaudited	*Change %*
Segmental	**£m**	**£m**	
Direct to Consumer - UK	33.3	34.6	-3.8%
Retail - UK	10.2	7.9	+29.1%
Wholesale	4.4	4.0	+10.0%
Direct to Consumer - Overseas	6.2	5.3	+17.0%
Total Revenue - Hotter	**54.1**	**51.8**	**+4.4%**
Gross Profit before depreciation (note 1)	**32.6**	**32.5**	+0.3%
Administration and distribution costs	(30.4)	(26.9)	+13.0%
EBITDA pre exceptionals - Hotter	**2.2**	**5.6**	-59.1%
Unbound Trading	(0.6)	-	
Unbound Group PLC	(0.8)	-	
EBITDA pre exceptionals – Group	**0.8**	**5.6**	-85.7%
Depreciation and amortisation - tangible assets and technology assets	(3.2)	(3.8)	-16.5%
Amortisation of brand	(1.5)	-	
Group operating loss pre exceptionals	**(3.9)**	**1.8**	

Note 1: Gross profit is stated before the depreciation charged to cost of sales related to the factory of £0.3m (2022: £0.5m)

Impairment of Assets and Exceptional Charges

As a result of the position of the Group, the trading environment as at 31 January 2023 and the subsequent administration of Beaconsfield Footwear Limited, The Board have concluded that it is appropriate to impair the carrying value of goodwill, brand assets and certain fixed assets to reflect their recoverable value. These non-cash adjustments bring the carrying value of the intangible assets to a value that is supportable given the position of the Group and the proceeds received by the Administrator for the sale of assets in July 2023.

The board consider it is inappropriate to recognise deferred tax assets at this time but losses of approximately £30m are available to offset future taxable profits.

The table below details the exceptional costs and impairments arising during the year ended 31 January 2023

	£m	£m
Operating (loss)/profit pre-exceptional		(3.9)
Exceptional charges:		(3.2)
Listing related costs	(1.2)	
Unbound Platform launch	(0.7)	
Restructuring and related	(0.1)	
Loss on disposal of Investments – sale of Hostmore shares post demerger	(1.2)	
Impairment of tangible assets		(1.3)
Impairment of intangible assets:		(29.5)
Technology assets	(6.3)	
Brand	(17.0)	
Goodwill	(6.2)	
Loss before interest and tax		**(37.9)**
Interest		(1.4)
Tax credit		0.6
Loss after tax for the group		**(38.7)**

Cash and Net Debt

As at 31 January 2023 the Group held cash balances of £1.2m resulting in net banking debt of £8.9m (January 2022: £6.6m) – see note 24

Covid-19 Business Interruption Insurance Claim

Prior to the administration of Beaconsfield Footwear Limited, the group continued to pursue a material claim under the subsidiary company's Business Interruption Insurance Policy in relation to Covid-19 business interruption. An initial payment of £2.5m was received in 2021 however the Group was pursuing a further amount. The claim is now being pursued by the Administrators of Beaconsfield Footwear Limited. No amounts have been recognised as receivable in the results for the year ended 31 January 2023.

Alternative performance measures

The Group use the below alternative performance measures to assist shareholders to better understand underlying financial performance and position, in addition to being used by the Board in evaluating performance. However, this additional information presented is not required by IFRS or uniformly defined by all companies. Certain measures are derived from amounts calculated in accordance with IFRS but are not in isolation an expressly permitted GAAP measure. The measures are as follows:

i. **Operating loss/profit pre-exceptional items** is based on statutory operating performance before the impact of exceptional items and impairment charges. This metric is used by the Board to assess the underlying performance of the business excluding items that are, in aggregate, material in size and / or unusual or infrequent in nature. Exceptional items are disclosed in note 7 to the accounts;

ii. **Adjusted EBITDA** is ordinary loss before finance costs, tax, depreciation, amortisation, and exceptional items but after charges for rents for the right of use assets. This metric is used as a measure of the Group's underlying operational cash generating ability.

Transition from Electra Private Equity PLC to Unbound Group plc

Throughout the prior reporting period from 1 October 2020 to 31 January 2022 the Company operated as a private equity investment trust focused on the final stages of the portfolio realisation strategy formally adopted in October 2018.

As Electra Private Equity PLC, the Company was an investment trust listed on the FTSE Main Market as an investment company under Listing Rule 15, it followed the UK Corporate Governance Code and with financial reporting as an investment company. In ceasing to be both an investment company and an investment trust, the Company had no automatic right to move from being listed on the FTSE Main Market under Listing Rule 15 (Investment Companies) to remaining on the Main Market under Listing Rule 6 (Consolidated Groups). As such the Directors concluded that in transitioning to Unbound a relisting on AIM was appropriate given the size and nature of Unbound. Unbound is now a trading group and admitted to trading on AIM.

Principal Risks and uncertainties

During the period covered by these accounts the Directors operated and maintained a risk management framework and risk register that sought to ensure that the principal risks to the Group were identified and managed appropriately. The principal risks whilst the group operated with its principal trading subsidiary were:

Funding Adequacy and Provision of Banking Facilities
In the current circumstances of the Group the largest risk the Group faces is funding adequacy and the ongoing provision of its banking facilities. The Board was engaged in finding a solution to alleviate this risk. The group ultimately failed to secure the support of the bank for the long term.

Operating Review and Cost Reduction Programs
The Group had concluded an Operating Review the output of which sought to build on the Group's ongoing Cost Reduction Program to materially change the operating model and cost base of the Group. Projects of this materiality inevitably disrupt the organisation of the Group and bring risk.

Customer Retention and Acquisition
The Group operated in a competitive online segment of the fashion market, being primarily in the UK market. If the Group did not promote and sustain its brand and platforms through marketing and other tools, it may fail to retain existing customers or acquire the new customers required to maintain or increase the Group's revenue.

A Credible Competitor Could Focus on the Group's Target Market
The Directors believed that whilst the Group has adopted a strategy which differentiates it from its closest competitors, the Group's business could be adversely affected by the actions of its closest competitors or a new competitor entering the market.

Economic Conditions and Other Factors Which Affect Disposable Income in the United Kingdom May Impact the Group's Business Adversely
Adverse changes in global, regional or local economic conditions, including recession or slowing growth, changes or uncertainty in fiscal, monetary or trade policy, higher interest rates, tighter credit, inflation, increases in unemployment and lower consumer confidence and spending, periodically occur. Adverse changes in economic conditions, including as a result of the Covid-19 pandemic and instability in the geopolitical environment in parts of the world, could significantly harm demand for the Group's products.

Reliance on Key Management Personnel
The Group's business, development and prospects are dependent on the experience, performance and continued service of its senior management team, including the Executive Directors. The loss of the service of one or more of such key management personnel may have an adverse effect on the Group.

The Directors believe that the Group operated a progressive and competitive remuneration policy which will play an important part in retaining and attracting key management personnel.

Operational Costs
Any change in the costs of operating the Group could impact on the Group's profitability. Such cost increases could arise from increments in supplier costs (including, amongst other things, an increase in the cost of raw materials, freight costs, general inflation and fluctuations in exchange rates) or increased costs to be incurred due to regulatory change. Although such costs are accounted for, where these can be estimated, in future budgets for the Group, not all cost increases are capable of being estimated adequately in advance. However, it is expected that competitors would be subject to similar commercial or regulatory cost increases.

The Group May Not Be Able to Effectively Manage Its Growth
To succeed in executing its business plan and expand its business, the Group would need to manage its growth effectively as it makes long-term investments in IT, technologies, support services and other capabilities including to support the Unbound partnership model. The Group is likely to recognise the costs associated with these investments earlier than the anticipated benefits. Additionally, the return on any investments may be lower, or may develop more slowly than expected. If the Group's revenue does not increase to offset these additional expenses, it may not achieve or maintain profitability in future periods, or the Group's business, financial condition, results of operations and prospects, including the ability to grow its business, could be otherwise adversely affected.

Sourcing of products and supplies
As an ecommerce business, the Group is susceptible to disruptions to its supply chain which may prolong the customary lead times for products reaching its customers. The Group sources its products and supplies from a range of non-UK third party suppliers including suppliers to Hotter based in India and Vietnam. The Group's business depends on its ability to source high quality products on commercially reasonable terms. Although the Group has long term working relationships with many of its third party suppliers, they may cease selling products to the Group on terms acceptable to it, fail to deliver sufficient quantities of products in a timely manner, encounter financial difficulties, terminate their relationship with the Group and/or enter into agreements with the Group's competitors or experience raw material or labour shortages or increases in raw material or labour costs.

The Group's supply of products could also be materially adversely affected by a number of other factors, including, amongst other things, potential economic and political instability in countries where its suppliers are located, increases in shipping, air freight or other transportation costs, manufacturing and transportation delays and interruptions, whether as a result of natural disasters, climate change, industrial action in the supply chain or other factors, supplier compliance with applicable laws, including labour and environmental laws. Any disruption to the availability or supply of products to the Group or any deterioration to the terms on which products are supplied to the Group could materially adversely affect its business, financial condition, results of operations and prospects.

Cyber Security

The Group relied on systems and websites that allow for the secure storage and transmission of proprietary or confidential information regarding its consumers, customers, suppliers, employees and others, including credit card information and personal information.

The Group's security measures may not detect or prevent all attempts to breach the Group's systems, denial-of-service attacks, ransomware attacks, viruses, malicious software, break-ins, phishing attacks, social engineering, security breaches or other attacks and similar disruptions that may jeopardise the security of information stored in or transmitted by the Group's websites, networks and systems or that it or such third parties otherwise maintain.

If any of these breaches of security should occur, the reputation of the Group could be damaged, and its business may suffer.

Post administration of the principal trading subsidiary

Since the company's main trading subsidiary entered administration, the director has focussed on the liquidity position and long-term solvency as being the main risks to be managed.

The strategic report was approved by the director on 22 April 2024

G Manson
Director

Directors' Report

The Directors present their report, together with the Strategic Report and audited financial statements of Unbound Group plc (the "Company") for the year ended 31 January 2023 ("the year"). As permitted by section 414 of the Companies Act 2006, information can be found in the strategic report on page 3 to 13 and form part of this report by cross reference. These matters relate principally to risks and uncertainties and the results and financial performance in the period.

Principal Activities

The principal activity of the Company is that of a holding company. Together with its subsidiary undertakings (the "Group"), the principal activity is that of retailing footwear and related products.

Business Review

The Directors are required to prepare the financial statements in accordance with applicable law and UK-adopted International Accounting Standards. These set out the requirement for a fair review of the business, its position at the year end and a description of the principal risks and uncertainties facing the Group. The Strategic Report on pages 3 to 13 provide this commentary and these are incorporated by cross reference and form part of this report.

Results And Dividends

The loss for the year, after taxation, amounted to £38.7m (profit of £43m for the 16 months ended 31 January 2022). No dividends were paid in respect of the year and no final dividend is recommended. In the prior year the Company paid a special dividend to its shareholders as part of the demerger of its investment in Hostmore Group.

Directors

The following individuals served as directors of the Company for the duration of the year and up to the date of approval of this report, except where indicated otherwise.

- Neil Johnson (resigned 27 July 2023)
- Paul Goodson (resigned 31 December 2022)
- Daniel Lampard (resigned 1 October 2022)
- Gavin Manson
- Alastair Miller (appointed 1 December 2022; resigned 17 October 2023)
- Kate Rock (resigned 27 July 2023)
- Suki Thompson (resigned 31 December 2022)
- Ian Watson (resigned 27 July 2023)
- Linda Wilding (resigned 12 May 2022)
- Galaxy Topco Limited (appointed 3 April 2024)
- Galaxy Midco Limited (appointed 3 April 2024)

Directors' indemnities

Directors' and officers' insurance cover has been maintained for all Directors to provide appropriate cover for their reasonable actions on behalf of the Company. The Directors have the benefit of an indemnity provision, which is a qualifying third-party indemnity provision (as defined by section 234 of the Companies Act 2006), which was in force during the year and remains in force for all current Directors of the Company.

Section 172 Report

The Directors' overarching duty is to act in good faith and in a way that is the most likely to promote the success of the Company, as set out in Section 172 of the Companies Act 2006. In doing so, the Directors must take into consideration the interests of the various stakeholders of the Company and the impact the Company has on the community and the environment; take a long-term view of the consequences of the decisions they make; and aim to maintain a reputation for high standards of business conduct and fair treatment between the members of the Company.

Fulfilling this duty supports the Company in achieving its trading strategy and helps to ensure that all decisions are made in a responsible and sustainable way. In accordance with the requirements of the Companies (Miscellaneous Reporting) Regulations 2018, the Company explains how the Directors discharged their duties under Section 172 during the period prior to the administration of Beaconsfield Footwear Limited below.

Decision Making

The importance of stakeholder considerations, particularly in the context of decision making, is taken into account at every Board meeting. All discussions involve careful consideration of the longer-term consequences of any decisions and their implications for stakeholders.

Community, Social, Employee, Human Rights, Environmental Issues, Anti-Bribery and Anti-Corruption

The Company is committed to carrying out business in an honest and fair manner with a zero-tolerance approach to bribery and corruption. As such, policies and procedures are in place to prevent bribery and corruption. In carrying out its activities and in its relationships with the community the Company aims to conduct itself responsibly, ethically and fairly, including in relation to social and human rights issues.

The Company believes that high standards of corporate social responsibility make good business sense and have the potential to protect and enhance performance. Consequently, the Group has processes in place which seek to ensure that social, environmental and ethical issues are taken into account and best practice is encouraged within the Group and by key stakeholders.

Stakeholders

The Board seeks to understand the needs and priorities of the Company's stakeholders, and these are taken into account during all its discussions and as part of its decision making.

The mechanisms for engaging with stakeholders are kept under review by the Directors and will be discussed on a regular basis at Board meetings to ensure that they remain effective. Examples of the Board's principal decisions during the year, and how the Board fulfilled its duties under Section 172, and the related engagement activities are set out below.

Throughout the period under review the Company assumed direct responsibility for stakeholders in its trading subsidiary, Hotter Shoes. These stakeholders include the employees, customers and suppliers of that business.

Shareholders

Continued shareholder support and engagement are critical to the business and the delivery of its long-term strategy. The Board engaged with shareholders prior to the transition of the Company to listing on AIM and subsequently when seeking to raise additional capital in July 2022 – as well as on routine reporting.

The Board is committed to maintaining open channels of communication and to engaging with shareholders in a manner which they find most meaningful, in order to gain an understanding of their views. All shareholders are invited to attend the annual general meeting ("AGM") each year and can keep themselves informed about the Company through its website and, in particular, through publications including the Annual and Half-Year Reports. The Executive Directors have meetings with larger shareholders to discuss strategy and other developments. The Board is always happy to respond to shareholder enquiries.

Employees of the Group
Following its transition to AIM on 1 February 2022, the Company has a direct relationship with all employees of the Company and its operating subsidiaries.

The Board recognised that communication with the Group's employees is essential and the Group places importance on the contributions and views of its employees. The Group is a committed equal opportunities employer and gives full and fair consideration to applications for employment, regardless of age, gender, colour, ethnicity, nationality, religious beliefs, transgender status or sexual orientation. Applications for employment by disabled persons are fully considered, bearing in mind the respective aptitudes and abilities of the applications concerned. All training, career development and promotion opportunities of a disabled person should, as far as possible, be identical to that of a person who does not have a disability.

The Board takes into account employees' interests when making decisions, and suggestions from employees aimed at improving the Group's performance are welcomed. The Group has an Anti-bribery and Corruption Policy and Code of Conduct which explain the required levels of conduct and provide details on how employees may raise any concerns they have

Diversity
As at 31 January 2023, there were four men and one woman on the Board. The Company aims to have a balance of relevant skills, experience and background amongst the Directors and believes that all Board appointments should be made on merit and with due regard to the benefits of diversity, particularly of perspective and including gender.

Going Concern
The Group's going concern statement can be found in the Basis of preparation section in Note 2 to the financial statements. As a result of the Administration of its only trading subsidiary in July 2023 these accounts are prepared on a basis other than that of a going concern.

Matters included elsewhere in the annual report
As permitted by s.414C(11) of the Companies Act 2006 (the "Act"), the Directors have elected to include the following matters, which would otherwise be required to be disclosed in the Directors' report under section 416(4) of the Act, to be disclosed in the Strategic Report or the section 172 report, as the Directors consider them to be of strategic importance to the Company:

- Events since the end of the year – Strategic Report
- Future developments – Strategic Report
- Employee involvement – s172
- Disabled employees – s172

Research and development

The Group invests in technology, including development of its ecommerce platforms. Where it is considered that an asset has been created which provides economic benefits extending to future financial periods, related costs are capitalised. The amount capitalised during the financial year is £2.9m (2022: £nil).

Streamlined Energy and Carbon Reporting

The Group reports on all the greenhouse gas ("GHG") emission sources as required under the Streamlined Energy and Carbon Reporting ("SECR") legislation. The methodology used to calculate our emissions is the GHG Protocol Corporate Accounting and Reporting Standard (revised edition), based on the operational control approach, i.e., where the Group operates the facility or asset. The space occupied by the Group within concession stores is excluded from the calculations because the Group has neither financial nor operational control over a concession area. Data has been calculated using BEIS 2019 emission factors for all carbon streams.

UK GHG emissions data[1]	FY 2023 kWh (000s)	FY 2023 tonnes CO_2e	FY 2022 kWh (000s)	FY 2022 tonnes CO_2e	Change kWh	Change tonnes CO_2e
Scope 1 - Fuel consumption	1,535	300	1,608	309	-5%	-3%
Scope 2 - Electricity consumption	2,065	427	2,166	479	-5%	-11%
Total scope 1 and scope 2 emissions	3,600	727	3,774	788	-5%	-8%
GHG intensity (tonnes of CO_2e per £million of revenue)		13.4		15.2		-12%

Note 1 – FY 2023 is the year ending 31 January 2023; FY 2022 represents the 12 months ending 31 January 2022 for the operational business that aligns with the business reported on in the year ending 31 January 2023

During the year we reduced our consumption which led to an 8% reduction in our CO_2 emissions whilst increasing our revenue leading to a 12% improvement in our GHG intensity.

Key to protecting our environment is the reduction of waste across our head office, stores and warehouses. We work hard to reduce the amount of waste generated and also to increase the amount recycled.

Packaging and plastics are another key area of focus for reducing our impact on the environment. We have therefore been working hard to minimise the total amount of packaging used by the Group and to move to sustainable materials in our packaging.

Financial Instruments

Notes 24 and 25 to the accounts sets out the approach to financial risk management and the use of financial instruments.

Political Donations

No political donations were made during the year under review or up to the date of signing these financial statements (2022: £Nil).

Engagement with Stakeholders

The Board's responsibilities to promote the success of the Group are outlined in the Section 172 Statement on pages 15 to 16 as required by Section 172 of the Companies Act 2006.

Post balance sheet events

Details of events since the reporting date, including the administration of Beaconsfield Footwear Limited, are described in detail in note 32 to the consolidated financial statements.

Disclosure of Information to the Auditors

In the case of each Director in office at the date the Directors' Report is approved, the following applies:

- the Director knows of no information, which would be relevant to the auditors for the purpose of their Auditor's Report, of which the auditors are not aware; and
- the Director has taken all steps that he/she ought to have taken as a Director to make him/herself aware of any such information and to establish that the auditors are aware of it.

This Directors' Report was approved by the Board of Directors on 22 April 2024.

For and on behalf of the Board

Gavin Manson

GAVIN MANSON
Director
22 April 2024

Remuneration report

This remuneration report is not required by Company law but the information has been provided on a voluntary basis and the information provided has not been audited.

Each Executive Director received a base salary and the opportunity to earn an annual bonus that was linked to the achievement of targeted levels of profit before tax in the relevant financial year. Annual bonuses would not normally exceed 150% of an individual's salary.

Long-term incentives were provided through the operation of the Unbound Group 2021 Long Term Incentive Plan ('LTIP'). This Scheme made initial awards shortly after the AIM listing in February 2022. Further detail of the LTIP awards granted are provided in Note 28.

The table below sets out the directors remuneration during the year ended 31 January 2023

£'000	Basic Salary/Fees	Bonus	Taxable Benefits	Pension Cont.	2023 Total	ESOP share option awards (note 30)
Executive Directors						
Ian Watson	325	76	15	16	432	882,350
Gavin Manson 1	103	-	3	4	110	-
Daniel Lampard 2	169	114	6	9	298	508,548
Non-Executive Directors						
Neil Johnson 3	120	-	-	-	120	-
Kate Rock 4	40	-	-	-	40	-
Alastair Miller 5	4	-	-	-	4	-
Paul Goodson 6	46	-	-	-	46	-
Suki Thomson 7	37	-	-	-	37	-
Linda Wilding 8	13	-	-	-	13	-
Total	857	190	24	29	1,100	1,390,898

Notes:

1 Gavin Manson served as an Executive Director of Electra Private Equity PLC prior to transition to Unbound Group PLC with effect from 1st February 2022. He served as a Non-Executive Director from 1st February 2022 until 30th September 2022, at which point he became an Executive Director and CFO.

2 Daniel Lampard was appointed CFO of Unbound Group PLC on 1st February 2022, having previously been CFO of Hotter Shoes. He resigned from the Board on 1 October 2022 and his options lapsed on that date.

3 Neil Johnson served as Executive Chairman of Electra Private Equity PLC until it transitioned to Unbound Group PLC on 1st February 2022. He served as Non-Executive Chairman of Unbound Group PLC until his resignation on 27 July 2023.

4 Kate Rock joined the Board as an Independent Non-Executive Director on 1 November 2021 and resigned on 27 July 2023.

5 Alastair Miller joined the Board as an Independent Non-Executive Director on 1 December 2022 and resigned on 17 October 2023

6 Paul Goodson served as an Independent Non-Executive Director from 2016 and resigned from the Board on 31 December 2022

7 Suki Thomson joined the Board as an Independent Non-Executive Director on 1 November 2021 and resigned from the Board on 31 December 2022

8 Linda Wilding became an Independent Non-Executive Director in 2016 and resigned from the Board on 12 May 2022

Each of the Executive Directors receives a car allowance which is included under taxable benefits along with the cost of providing healthcare benefits and life assurance and pension contributions.

Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with UK adopted International Accounting Standards. The Parent Company financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

The group financial statements are required by law and UK-adopted International Accounting Standards 4 to present fairly the financial position and performance of the group. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

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 the Company and of the profit or loss of the Group for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- for the group financial statements, state whether they have been prepared in accordance with UK-adopted International Accounting Standards;
- for the company financial statements state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the company 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 proper accounting records that are sufficient to show and explain the Company's and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNBOUND GROUP PLC

Opinion

We have audited the financial statements of Unbound Group plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 January 2023 which comprise the Consolidated Income Statement, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Statements of Financial Position, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK-adopted International Accounting Standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 January 2023 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities 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.

Summary of our audit approach

Key audit matters	**Group** • Business combination • Basis of preparation
Materiality	**Group** • Overall materiality: £1,000,000 (2022: £235,500) • Performance materiality: £262,000 (2022: £164,850)

	Parent Company • Overall materiality: £675,000 (2022: £235,000) • Performance materiality: £261,750 (2022: £164,500)
Scope	Our audit procedures covered 100% of revenue, 100% of total assets and 100% of loss before tax.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the group and parent company financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the group and parent company financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Business combination

Key audit matter description	*(Refer to note 2 regarding the accounting policies applied in respect of the transition from Electra Private Equity PLC to Unbound Group plc, note 4 regarding significant accounting estimates and judgements and note 14 relating to the deemed acquisition of Beaconsfield Footwear Limited).* As a result of Unbound Group plc being admitted to the AIM market on 1 February 2022 and at that point ceasing to be an investment entity, the group has applied the accounting required by IFRS 3 Business Combinations and accounted for a deemed acquisition of its subsidiary Beaconsfield Footwear Limited at that date. The group's accounting policies require the recognition at fair value of all identifiable assets and liabilities at the deemed acquisition date. Goodwill represents the excess of deemed acquisition consideration over the fair value of the group's share of the identifiable net assets of the acquired subsidiary at the deemed date of acquisition. The directors identified intangible assets relating to brands of £22.9m and goodwill of £6.2m. The measurement of intangible assets is complex and requires use of judgement in the selection of an appropriate technique and related inputs.
How the matter was addressed in the audit	We used an internal valuations specialist to review the design of the models that were used to measure the intangible assets arising as part of the business combination to assess whether they were appropriate. We tested the clerical accuracy of the models.

	We compared the models to the group's accounting policies to determine whether the policies had been consistently applied. We challenged the assumptions used in the models including discount rates and growth rates. We reviewed the financial projections that had been prepared by the directors at the time of the admission to AIM and compared them to those used in the measurement of intangible assets to determine whether they were consistent. We tested the measurement of the deemed cost of the acquisition by comparing to the fair value of the subsidiary at 31 January 2022 which had been measured by reference to the market capitalisation of the group, adjusted for estimates of fair value of the group's other listed and unlisted investments.

Basis of preparation

Key audit matter description	*(Refer to the strategic report on pages 3 to 13, the basis of preparation (note2) and the accounting policies (note 3) regarding the accounting policies applied in respect of going concern).* When planning our audit, we identified a significant risk in respect of going concern due to trading conditions in the second half of the year and anticipated breaches of covenant tests relating the group's banking facilities. The directors were in discussions with their bankers to defer the payments that were due to be made during 2023. There was a risk that trading conditions and the requirement to obtain the support of the bank would cast significant doubt on the group and company's ability to continue as a going concern. In May 2023, the board announced the initiation of a strategic review and formal sales process due to increasing cash constraints resulting from trading performance and there having been no agreement with the banks to revise bank facilities. The formal sale process was terminated in June 2023. In July 2023, the board announced that administrators had been appointed to the group's subsidiary Beaconsfield Footwear Limited following which the trade and assets of that subsidiary were sold to a third party. At that time the group and company ceased to trade. As described in the "Emphasis of matter – non going concern basis of accounting" paragraph later in this report, the directors have prepared the financial statements on a non-going concern basis. IAS 1 states that financial statements should be prepared on the going concern basis unless management either intends to liquidate the entity or to cease operations or has no realistic alternative but to do so.

How the matter was addressed in the audit	We have read minutes of board meetings and made enquiries of management to understand the circumstances that led to the appointment of administrators to Beaconsfield Footwear Limited. We have read the report of the administrators dated 31 July 2023 relating to the sale of the trade and assets of Beaconsfield Footwear Limited. We performed the following procedures to assess whether the adoption of a non-going concern basis of preparation is appropriate given all the circumstances:

	• We considered whether at this time there is evidence of any realistic alternatives to the ultimate liquidation of the group and company; • We read minutes of the board meetings and made enquiries of management; • We inspected the group's bank statements in the period subsequent to the year end and the administration of Beaconsfield Footwear Limited to understand the group's ongoing costs and sources of funds; and • We have inspected agreements with creditors which temporarily defer the settlement of outstanding liabilities.

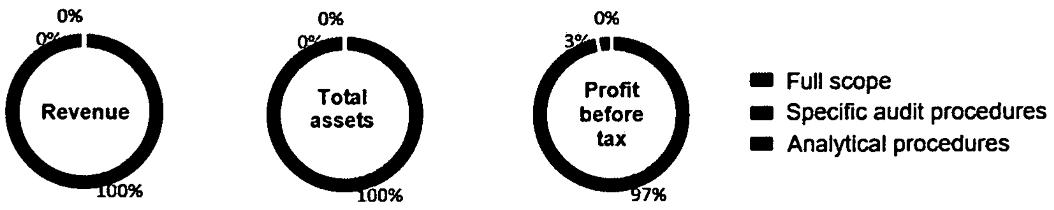
Our application of materiality

When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. Based on our professional judgement, we determined materiality as follows:

	Group	**Parent company**
Overall materiality	£1,000,000 (2022: £235,500)	£675,000 (2022: £235,000)
Basis for determining overall materiality	2.5% of loss before tax	2.5% of loss before tax
Rationale for benchmark applied	When we planned our audit we initially calculated overall materiality with reference to revenue for the group and total assets for the parent company. Following the administration of the group's trading subsidiary, Beaconsfield Footwear Limited, subsequent to the year end, we reassessed whether the benchmarks applied for determining overall materiality remained appropriate and we concluded that loss before tax was a more relevant measure of performance for the group and the parent company.	
Performance materiality	£262,000 (2022: £164,850)	£261,750 (2022: £164,500)
Basis for determining performance materiality	26% of overall materiality	39% of overall materiality
Reporting of misstatements to the Audit Committee	Misstatements in excess of £50,000 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of £33,750 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit
The group consists of 3 components, all of which are based in the UK.

The coverage achieved by our audit procedures was:



Full scope audits were performed for 2 components and specific audit procedures for 1 component.

Emphasis of matter – non-going concern basis of accounting
We draw attention to note 2 of the financial statements which describes the preparation of the financial statements on a non-going concern basis. As described in note 2, the group and company ceased trading on 17 July 2023 and the directors have concluded that it is no longer appropriate to prepare the financial statements on a going concern basis. There have been no adjustments made to the financial statements as a result of the application of the non-going concern basis of accounting. Our opinion is not modified in respect of this matter.

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.

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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities statement set out on page 20, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liqui31 January 2023 the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operate in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

The most significant laws and regulations were determined as follows:

Legislation / Regulation	Additional audit procedures performed by the Group audit engagement team:
UK-adopted IAS, FRS102 and Companies Act 2006	Review of the financial statement disclosures and testing to supporting documentation; Completion of disclosure checklists to identify areas of non-compliance
Tax compliance regulations	Inspection of advice received from external tax advisors Inspection of correspondence with local tax authorities

The areas that we identified as being susceptible to material misstatement due to fraud were:

Risk	Audit procedures performed by the Group audit engagement team:
Revenue recognition	Testing a reconciliation of cash receipts to revenue recognised in the year; Investigating adjustments posted to nominal ledger codes outside of the normal revenue cycle.
Management override of controls	Testing the appropriateness of journal entries and other adjustments;

	Assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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.

Alastair Nuttall

ALASTAIR JOHN RICHARD NUTTALL (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
9th Floor, Landmark
St Peter's Square
1 Oxford Street
Manchester M1 4PB
22 April 2024

Consolidated Income Statement

Prior to 1 February 2022, Unbound Group PLC operated as an investment trust and consequently was exempt from the obligation to prepare consolidated accounts. Therefore, the comparative accounts for Unbound Group PLC are presented on a basis consistent with its last filed accounts. Unaudited financial information shown in the Strategic Review on pages 3 to 13 provides information that will help a reader see the trends in the underlying performance of the trading activities that have been carried out by the Unbound Group during the year ended 31 January 2023.

	Notes	*12 month period ended 31 January 2023* *£m*	*16 month period* ended 31 January 2022 *£m*
Revenue	5	54.1	-
Operational Costs		(21.8)	-
Gross profit	6	32.3	-
Other income		-	0.7
Administrative expenses		(33.4)	(12.4)
Exceptional items – Administrative expenses	7	(2.0)	-
Exceptional items – Impairments to fixed assets	7	(30.8)	
Distribution costs		(2.8)	-
Operating loss	8	(36.7)	(11.7)
Interest receivable and similar income		-	5.8
Interest payable and similar charges	11	(1.4)	-
Loss after finance charges		(38.1)	(5.9)
Loss on investments held at fair value through profit and loss		(1.2)	-
Investment gains- Capital account		-	48.9
(Loss)/Profit on ordinary activities before taxation		**(39.3)**	**43.0**
Tax on (loss)/profit on ordinary activities before taxation	12	0.6	-
(Loss)/Profit for the financial period attributable to the equity holders of the parent		**(38.7)**	**43.0**

All activities represent continuing operations except for the loss arising on investments held at fair value which arose from the previous activities of the company when it operated as an investment trust.

As described in notes 2 and 32, the group ceased to trade in July 2023.

The Group has no recognised gains and losses other than those shown above and therefore no separate Statement of Total Comprehensive Income has been presented.

The accompanying notes on pages 33 to 65 form part of these financial statements.

Consolidated Statement of Changes in Equity

	Called up share capital £m	*Share premium £m*	*Own shares held £m*	*Capital reserve £m*	*Profit and loss account / Revenue reserve £m*	*Total equity £m*
As at 1 October 2020	9.6	-	(2.4)	76.9	51.2	135.3
Distribution in specie	-	-	-	(161.2)	-	(161.2)
Share issuance (note 26)	1.0	5.0	-	-	-	6.0
Net return for the period	-	-	-	48.9	(5.9)	43.0
At 31 January 2022 - Electra	**10.6**	**5.0**	**(2.4)**	**(35.4)**	**45.3**	**23.1**
Reserves combination on ceasing to be an investment trust	-	-	-	35.4	(35.4)	-
As at 1 February 2022 - Unbound	**10.6**	**5.0**	**(2.4)**	**-**	**9.9**	**23.1**
Share issuance (note 26)	0.2	2.9	-	-	-	3.1
Total comprehensive loss for the period	-	-	-	-	(38.7)	(38.7)
Share-based payments charge	-	-	-	-	0.2	0.2
Issuance of shares to employees	-	-	0.1	-	(0.1)	-
As at 31 January 2023	**10.8**	**7.9**	**(2.3)**	**-**	**(28.7)**	**(12.3)**

Consolidated Statement of Financial Position

	Notes	Unbound Group plc 31 January 2023 £m	Unbound Group plc 31 January 2022 £m
Assets			
Non-current assets			
Intangible assets	15	5.0	-
Property, plant and equipment	16	0.6	-
Right-of-use asset	17	6.6	-
Total non-current assets		**12.2**	**-**
Current assets			
Investments		-	23.4
Inventories	19	5.8	-
Trade and other receivables	20	1.8	0.6
Cash and cash equivalents		1.2	1.9
Total current assets		**8.8**	**25.9**
Total assets		**21.0**	**25.9**
Current liabilities			
Trade and other payables	21	13.7	2.3
Borrowings	23	2.0	-
Lease liability	17	1.8	-
Provisions	22	0.1	0.5
Total current liabilities		**17.6**	**2.8**
Non-Current liabilities			
Borrowings	23	8.1	-
Lease liability	17	5.5	-
Provisions	22	1.0	
Deferred tax	18	1.1	-
Total non-current liabilities		**15.7**	**-**
Total liabilities		**33.3**	**2.8**
Net (liabilities)/assets		**(12.3)**	**23.1**
Equity			
Share capital	26	10.8	10.6
Share premium	26	7.9	5.0
Own shares held	26	(2.3)	(2.4)
Capital Reserve	26	-	(35.4)
Revenue reserve		(28.7)	46.8
Equity attributable to owners of the parent		**(12.3)**	**23.1**
Total equity		**(12.3)**	**23.1**

The accompanying notes on pages 33 to 65 are an integral part of these financial statements.
Approved by the Board of Directors and signed on its behalf by:

Gavin Manson
Director
22 April 2024

Consolidated Cash Flow Statement

	Notes	Period ended 31 January 2023 £m	Period ended 31 January 2022 £m
Net cash inflow / (outflow) from operating activities	27	**(1.9)**	**0.8**
Investing activities			
Cash acquired on consolidation of subsidiary	14	3.6	
Payments to acquire intangible fixed assets		(2.9)	-
Payments to acquire tangible fixed assets		(0.2)	-
Proceeds from disposal of current investments		2.5	-
Net cash flow from investing activities		***3.0***	***0.8***
Financing activities			
Principal paid on lease liabilities	17	(1.5)	(0.2)
Interest paid on lease liabilities	17	(0.5)	-
Interest paid		(0.9)	-
Issue of ordinary share capital net of related costs	26	3.1	-
Repayment of long-term loans		(2.0)	-
Net cash flow from financing activities		***(1.8)***	***(0.2)***
Increase/ (Decrease) in cash and cash equivalents		**(0.7)**	**0.6**
Cash and cash equivalents brought forward		*1.9*	*1.3*
Cash and cash equivalents carried forward		**1.2**	**1.9**

The accompanying notes on pages 33 to 65 are an integral part of these financial statements.

Notes to the Financial Statements

1. General Information

Unbound Group Plc (the 'Company'/'Unboound') is a limited liability company incorporated and domiciled in the United Kingdom. The address of the Company's Registered Office is DWF Company Secretarial Services Limited, 1 Scott Place, 2 Hardman Street, Manchester, United Kingdom, M3 3AA. The Company's principal activity is to act as a holding company and together with its subsidiary undertakings it is principally involved with retailing footwear and related products.

The financial statements are presented in GBP, the group's functional currency, rounded to the nearest £100,000.

The Company was listed on the Alternative Investment Market (AIM) of the London Stock Exchange (ticker: UBG) until 18 January 2024.

2. Basis of preparation

Transition from Electra Private Equity PLC to Unbound Group plc
Unbound Group plc was renamed from Electra Private Equity PLC ("Electra") on 21 January 2022. Electra was a Main Market listed investment company with a private equity strategy. Following Electra's decision to dispose of its investee business, as announced on 21 May 2021, it sold or demerged a number of companies. Following the demerger of Hostmore plc on 1 November 2021, Electra's only remaining trading subsidiary was Beaconsfield Footwear Limited, trading as the Hotter Group.

As part of the move from the Main Market to trading on AIM, Electra/Unbound Group plc ceased to be an investment trust so was no longer exempt from the obligation to prepare consolidated accounts. Thus, the Unbound Group plc consolidated financial statements for the period ending 31 January 2023 contain all the trading activities and operational assets and liabilities of the Hotter Group. During the previous accounting period, the Electra accounts did not contain the trading activities and operational assets and liabilities of the Hotter Group as it prepared its consolidated financial statements in accordance with IFRS 10 and the Statement of Recommended Practice ("SORP") for investment companies issued by the Association of Investment Companies in November 2014 and updated in October 2019 which required the parent to measure its subsidiaries at fair value through the profit and loss account.

As a result of Unbound Group plc ceasing to be listed as an investment trust on 1 February 2022 it ceased to be treated as an investment entity under IFRS 10. Paragraph B100 of IFRS 10 states that when an entity ceases to be an investment entity, the change in status is accounted for as a deemed acquisition of the entity's subsidiaries. Consequently, Unbound Group plc has accounted for the deemed acquisition of Beaconsfield Footwear Limited on the date on which its listed status changed. Beaconsfield Footwear Limited is the company through which the Hotter shoes business is and has been carried out.

The recommendations of the Investment companies SORP which had been followed in preparing the accounts for the period ended 31 January 2022 included:

- realised and unrealised profits or losses arising on the revaluation or disposal of investments classified as held at fair value through profit or loss should be shown in the "Capital" column of the Consolidated Income Statement;

- realised gains are taken to the realised reserves in equity and unrealised gains are transferred to the unrealised reserves in equity;
- returns on any share or debt security (whether in respect of dividends, interest income or otherwise) should be shown in the "Revenue" column of the Consolidated Income Statement. The total of the "Revenue" column of the Consolidated Income Statement is taken to the revenue reserve in equity; and
- the Board should determine whether the indirect costs of generating capital gains should also be shown in the "Capital" column of the Consolidated Income Statement. If the Board decides that this should be so, the management expenses should be allocated between revenue and capital in accordance with the Board's expected long-term split of returns, and other expenses should be charged to capital only to the extent that a clear connection with the maintenance or enhancement of the value of investments can be demonstrated. The Board decided that the Company should continue to charge management expenses as a revenue item for the 16 months to 31 January 2022.

The Group financial statements have been prepared in accordance with the Companies Act 2006 and UK adopted International Accounting Standards and have been presented in £m.

The accounts for the period ended 31 January 2022 were prepared as an investment entity in accordance with Appendix B of IFRS 10. The amendments to IFRS 10 and IFRS 12 define an investment entity and include an exception from the consolidation requirements for investment entities. The Company was deemed to meet the definition of an investment entity per IFRS 10, as the following conditions existed:

- the Company had multiple unrelated investors which were not related parties and held multiple investments;
- ownership interests in the Company were exposed to variable returns from changes in the fair value of the Company's net assets;
- the Company had obtained funds for the purpose of providing investors with investment management services;
- the Company's business purpose was investing solely for returns from capital appreciation and investment income; and
- the performance of investments was measured and evaluated on a fair value basis.

The Company did not consolidate the portfolio companies it controlled. The principal subsidiaries were wholly owned companies, which provided investment-related services through the provision of investment management or advice and held investments in managed assets. The primary purpose of these entities was to provide investment-related services that related to the Company's investment activities and therefore they were not considered to be investment entities and were consolidated in the accounts for the period ended 31 January 2022.

Since the company ceased to be listed as an investment trust on 1 February 2022, it has applied IFRS 3 (Business Combinations) to its subsidiaries associated with the Hotter Group business and has consolidated its subsidiaries in accordance with paragraphs 19-24 of IFRS10 (Consolidated Financial Statements).

Basis of Consolidation from 1 February 2022

The group financial statements consolidate the financial statements of Unbound Group plc and all its subsidiary undertakings drawn up to the year-end date. No income statement is presented for Unbound Group PLC as permitted by section 408 of the Companies Act 2006.

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities.

Acquisitions are accounted for using the acquisition method of accounting. The cost of an acquisition is the aggregate of the fair values of the assets transferred, liabilities incurred or assumed, and equity instruments issued at the date of acquisition. The consideration transferred includes the fair value of the asset or liability resulting from a deferred or contingent consideration arrangement, unless that arrangement is dependent on continued employment of the beneficiaries. Costs directly relating to an acquisition are expensed to the income statement. The identified assets and liabilities and contingent liabilities are measured at their fair value at the date of acquisition. On the transition form the main market to AIM the deemed consideration for the subsidiaries that were previously held at fair value through profit and loss was the fair value of the subsidiaries at the date of the deemed acquisition.

The excess of cost of acquisition over the aggregate fair value of the Group's share of the net identified assets plus identified intangible assets is recorded as goodwill.

Should a gain from a bargain purchase arise due to the aggregate fair value of the Group's share of the net identified assets plus identified intangible assets being in excess of the cost of acquisition the gain on bargain purchase generated is recognised as a gain in the income statement.

The financial statements are prepared in Pounds Sterling because that is the currency of the primary economic environment in which the Group operates. Monetary amounts in these financial statements are rounded to the nearest one hundred thousand.

Going concern

Basis of preparation

These financial statements are prepared on a basis other than that of a going concern. This is required following the Administration of the Group's only Trading subsidiary in July 2023 at which time the Group and Company ceased to trade. Whilst the Board are continuing to seek a long-term solution for the Company there can be no certainty that such a solution will be found, in which case the director would have no realistic alternative but to cease trading and to wind up the company. No further adjustments were required to be made to the financial statements as a result of the basis of preparation.

Background

Following a period of challenging trading conditions compounded by delays to the settlement of its Covid-19 Business Interruption Insurance Claim, on 17 July 2023 the Group's only trading subsidiary entered administration. This resulted in the Group booking significant impairments to certain of its fixed assets as explained in notes 15 and 16 to the accounts. This left the Company with significantly constrained liquidity and current liabilities along with illiquid long-term assets.

The survival of the Company since July 2023 has been as a result of co-operation with creditors whilst the company seeks a long-term solution. Whilst the Board continue to seek a long-term solution there can be no guarantee that one will be found. Should the Company's creditors not continue to agree to work with the Company until such time as a solution is found the Board would be required to take action and commence to wind up the company.

3. Significant Accounting Policies

3.1 Revenue recognition

IFRS 15 "Revenue from Contracts with Customers" is a principle-based model of recognising revenue from contracts with customers. It has a five-step model that requires revenue to be recognised when control over goods and services are transferred to the customer.

Unbound operates through retail point of sale transactions and website orders. Revenue is recognised when Unbound dispatches a product to the customer for website orders and at the point of purchase for retail point of sale transactions. The transaction price is the price displayed on the website at the time Unbound receives the customers' order for website orders or the price on the EPOS system for retail point of sale transactions. The transaction price is allocated to the one performance obligation which is the delivery of the product. Payment of the transaction price is due immediately when the customer purchases the product and takes delivery, or in the case of certain merchant transactions, payable on set credit terms.

Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and sales taxes or duty. Production based taxes are not included in revenue, they are paid on production and recorded within cost of sales.

It is Unbound's policy to sell its products to the end customer with a right of return within 30 days. Therefore, a returns liability (included in accruals) and a right to the returned goods (included in inventory) are recognised for the products expected to be returned.

Amounts received in advance are recorded as contract liabilities and revenue is recognised as the performance obligations are met.

3.2 Government grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and Unbound will comply with all attached conditions. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

3.3 Employee benefits: Pension obligations

Unbound operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which Unbound pays fixed contributions into a separate entity. Once the contributions have been paid Unbound has no further payment obligations.

The contributions are recognised as an expense in the Income statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from Unbound in independently administered funds.

3.4 Net finance charges

Interest receivable and similar income comprises interest income receivable on investments Interest payable and similar charges comprises of other borrowing costs which are expensed in the period in which they are incurred and reported in finance costs and interest on lease liabilities.

3.5 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and Unbound can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3.6 Intangible assets

Goodwill

The goodwill arose when Unbound converted from an investment entity to an AIM listed holding company on 1 February 2022 and reflects the difference between the deemed fair value of the consideration transferred and the fair value of assets and liabilities deemed to be purchased. Goodwill is not amortised. Instead, goodwill is tested annually for impairment or if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit and loss and are not subsequently reversed.

Other intangible assets

Intangible assets purchased are recognised when future economic benefits are probable and are initially recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised to profit or loss on a straight-line basis over their useful lives, as follows:

- Computer software between 3 and 5 years
- Brands 15 years

Amortisation is revised prospectively for any significant change in useful life or residual value. On disposal, the difference between the net disposal proceeds and the carrying amount of the intangible asset is recognised in profit or loss.

All amortisation has been charged to administrative expenses in the income statement.

Intangible assets are tested for impairment if there is any indication that an asset or CGU may be impaired at the reporting date having taken into account external and internal indicators of potential impairment.

3.7 Property plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method over their useful life as follows

- Plant and machinery — 5 years
- Fixtures, fittings & equipment — 3 to 5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

Depreciation has mainly been charged to administrative expenses in the income statement with the exception of the depreciation relating to the factory plant and machinery and the moulds used to produce the footwear products which is charged to cost of sales.

3.8 Research and development expenditure

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the entity is able to use or sell the asset; the entity has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised in accordance with the intangible assets policy noted above.

3.9 Inventories

Inventories are valued at the lower of cost and net realisable value, where net realisable value is an estimate of the selling price less cost to complete and sell. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

- Raw materials, consumables and good for resale — purchase cost on a first-in, first-out basis.
- Work in progress and finished goods — cost of direct materials and labour plus attributable overheads based on a normal level of activity.

At each reporting date an assessment is made for any impairment in the values of inventories held. Any impairment in the value of inventories is recognised at the reporting date.

3.10 Leased assets

At inception of a contract, Unbound assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, Unbound assesses whether: an identified physically distinct asset can be identified; and Unbound has the right to obtain substantially all of the economic benefits from the asset throughout the period of use and has the ability to direct the use of the asset over the lease term being able to restrict the usage of third parties as applicable.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case Unbound's incremental borrowing rate on commencement of the lease is used.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where Unbound is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. ROU assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term. When Unbound revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. An equivalent adjustment is made to the carrying value of the ROU asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

3.11 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short term highly liquid deposits which are subject to an insignificant risk of changes in value.

3.12 Financial assets

Unbound classifies its financial assets at amortised cost. Financial assets do not include prepayments. Management determines the classification of its financial assets at initial recognition.

Financial Assets recognised at amortised cost

Unbound's financial assets held at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold their assets in order to collect contractual cash flows and the contractual cash flows are solely payments of the principal and interest.

They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net,such provisions are recorded in a separate provision account with the loss being recognised within administrative expenses in the consolidated income statement. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for other receivables are recognised based on the general impairment model within IFRS 9. In doing so, Unbound follows the 3-stage approach to expected credit losses. Step 1 is to estimate the probability that the debtor will default over the next 12 months. Step 2 considers if the credit risk has increased significantly since initial recognition of the debtor. Finally, Step 3 considers if the debtor is credit impaired, following the criteria under IFRS 9.

Financial assets recognised at fair value through profit or loss
Financial instruments such as forwards, swaps and forward exchange contracts are classified as derivative financial assets and liabilities at fair value through profit or loss. Derivative financial assets and liabilities are initially measured at fair value at the date the derivative contract is entered into and are subsequently remeasured to fair value at each financial period end date. The resulting gain or loss is recognised in fair value gains/(losses) through profit or loss immediately. Unbound does not apply hedge accounting.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability, unless a bilateral netting agreement exists between Unbound and the counterparty, in which case derivative financial asst and liability positions with the counterparty are aggregated to produce a single netted asset or liability.

The fair value of the derivative contracts is based on their observable prices in the exchange marketplace requiring no significant adjustment.

3.13 Financial liabilities
Unbound measures its financial liabilities at amortised cost. All financial liabilities are recognised in the statement of financial position when Unbound becomes a party to the contractual provision of the instrument.

Financial liabilities measured at amortised cost
Unbound's financial liabilities held at amortised cost comprise trade payables and other short-dated monetary liabilities, and bank and other borrowings in the consolidated statement of financial position.

Trade payables and other short-dated monetary liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest rate method.

Bank and other borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position.

For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Unless otherwise indicated, the carrying values of Unbound's financial liabilities measured at amortised cost represents a reasonable approximation of their fair values.

3.14 Exceptional items
Unbound classifies certain one-off charges or credits that have a material impact on Unbound's financial results as exceptional items. These are disclosed separately to provide further understanding of the financial performance.

3.15 Impairment of assets
Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. For the purposes of assessing impairment, assets are carried at the lowest levels for which there are separately identifiable cash flows (cash-generating units or CGUs).

Where there is any indication that an asset may be impaired, the carrying value of the asset (or CGUs to which the asset has been allocated) is tested for impairment. 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 (or CGU's) fair value less costs to sell and value in use. Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased. Goodwill is reviewed for impairment on an annual basis, with any impairment to goodwill not reversed at a later period.

3.16 Provisions
Provisions are recognised when Unbound has a legal or constructive present obligation as a result of a past event, it is probable that Unbound will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

3.17 Share based payments
Equity-settled share-based payments are measured at fair value at the date of grant. The fair value is recognised as an employee expense on a straight-line basis over the vesting period, based on the Group's estimate of the number of shares that will eventually vest. The fair value of the options granted is calculated using an option pricing model which is based on the Black-Scholes model, taking into account the terms and conditions upon which the options were granted.
Transactions of the Company-sponsored Employee Benefit Trust are treated as being those of the Company and are therefore reflected in the Parent Company and Group financial statements. In

particular the scheme's purchases of shares in the Company are debited directly to equity, within 'Own shares held' reserve."

3.18 Principles of Valuation of Investments – for the period ended 31 January 2022

The Group estimated the fair value of each investment at the reporting date in accordance with IFRS 13 and the International Private Equity and Venture Capital Valuation ("IPEV") Guidelines. Fair value is the price for which an asset could be exchanged between knowledgeable and willing parties in an arm's length transaction. In estimating fair value, the Manager applied a valuation technique which was appropriate in light of the nature, facts and circumstances of the investment and uses reasonable current market data and inputs combined with judgement and assumptions. Valuation techniques were applied consistently from one reporting date to another except where a change in technique resulted in a better estimate of fair value.

In respect of unlisted investments, the Group selected one or more of the following valuation techniques:

- a market approach, based on the price of the recent investment, earnings multiples or industry valuation benchmarks;
- an income approach, employing a discounted cash flow technique; and
- a replacement cost approach valuing the net assets of the portfolio company.

In assessing whether a methodology was appropriate the Group maximised the use of techniques that draw heavily on observable market-based measures of risk and return. In some circumstances the Group applied a multiple to the net assets of a business, typically where the business' value derived mainly from the underlying fair value of its assets rather than its earnings, such as property holding companies.

The fair value of listed investments was based on quoted prices in active markets at the reporting date. A market is regarded as active, if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group was the current bid price.

3.19 New standards not yet adopted

Accounting standards have been issued but are not yet mandatory and have not been early adopted by the Group. The following accounting standards are relevant and applicable to future periods but are not expected to have a significant impact on the financial statements:

- Definition of accounting estimates - Amendments to IAS 8
- Disclosure of accounting policies - Amendments to IAS 1
- Deferred tax - amendments to IAS 12
- Lease liability in a sale and leaseback - amendments to IFRS 16
- Classification of liabilities as current or non-current - amendments to IAS 1

4. Significant Accounting Estimates and Judgements

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 year-end 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.

Goodwill and intangible assets
The Group establishes a reliable estimate of the useful life of 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 fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the forecast for the next three years and an extrapolation beyond that 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 the expected future cash flows and the growth rate used for extrapolation purposes. The discount rate is arrived at using a weighted average cost of capital methodology and is based on market comparators.

Fair value accounting for acquisitions
The Group carries out an evaluation of the fair value of assets and liabilities acquired when an acquisition is treated as a business combination. Reviews are made of the separately identifiable assets and liabilities and the values are restated to fair values at the acquisition date. The major assets and liabilities that were subject to significant judgements by the directors are as follows:

- Intangible assets – brands – these are valued using the Multiple of Excess Earnings Methodology based upon the excess earnings expected to be created by the cash generating unit over and above the returns generated from tangible assets, technology assets people and the working capital tied up in the business;
- Intangible assets – technology – these are valued on the basis of a estimates of the replacement cost of developing the software used within the business;
- Tangible assets – these are valued on the basis of an estimate of replacement cost for assets of a similar age and condition;
- Right of Use assets and related lease liabilities – these are remeasured as if the leases were entered into on the date of the business combination; and
- Inventories – these are valued at the sales costs less the full costs to be incurred in selling those items of stock

Useful economic lives of tangible fixed assets
The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended, when necessary, to reflect current estimates, based on technological advancement, future investments, economic utilisation, and the physical condition of the assets. See the subsequent notes to the accounts for the carrying amount of the tangible fixed assets and note 3.7 for the useful economic lives for each class of asset.

Estimates and assumptions
The following are other areas requiring significant estimates and assumptions that may significantly impact the historical financial information.

Inventories provision
The levels of inventories, net of provisions, are set out in the notes to the accounts. For each line of inventory, a provision is made against the cost of the inventory where the net realisable value is expected to be less than cost. Net realisable value is the estimated selling price of inventories, where that selling price is a judgement based mainly upon recent selling patterns and the ageing and condition for each inventory line.

Lease Liabilities
Unbound Group plc makes judgements to estimate the incremental borrowing rate used to measure lease liabilities based on expected third party financing costs when the interest rate implicit in the lease cannot be readily determined. Management performs assessments on each individual lease and ensures the implicit interest rate are reviewed against latest expected borrowing terms for the entity, lease length, specialisation and risk of each asset, class and type of asset, where and when the asset will be used, and the currency of each lease. Additional details are set out in note 17.

Recoverability of debtors
Key judgments are made by management in estimating the level of provisioning required for bad debts. In arriving at its conclusion, the Directors consider debtor ageing and knowledge of individual debtors.

Taxation
Unbound Group PLC establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 12.

Provisions
Unbound Group PLC establishes provisions relating to dilapidations on the exit of its retail stores. This requires Unbound to determine an estimated value of the likely cost of dilapidations for the entirety of its retail estate.

5. Revenue from contracts with customers

All of Unbound's revenue was generated from one principal activity, that of the sale of footwear and accessories and was recognised at a point in time (rather than over time). No one customer makes up 10 per cent. or more of revenue in any period.

Unbound operates within two geographical markets, the United Kingdom and Rest of the World (principally US and Ireland). An analysis of revenue by geographical market is given below:

	Period ended 31 January 2023 **£m**
United Kingdom	47.3
Rest of the World	6.8
	54.1

In the comparative period no revenue was generated from customers and the Company's portfolio of investments was predominantly based in the United Kingdom.

6. Channel Analysis

The Chief Operating Decision Maker has been identified as the Directors. In the opinion of the Directors, the Group has had one single operating segment since 1 February 2022, the manufacture and sale of footwear with the sales of the products being through four channels. The directors review the trading profit and gross profit generated by each channel and the gross profit reported by each segment is set out below:

	Year ended 31 January 2023	
	Revenue £m	**Channel gross profit £m**
Direct to consumer UK	33.3	19.9
Retail UK	10.2	6.3
Wholesale served from the UK	4.4	1.8
Direct to consumer – Rest of World	6.2	4.3
Total	**54.1**	**32.3**

Throughout the previous period, the Group operated as a single business segment for reporting purposes. It was managed as a single investment company and reporting was provided to the Board of Directors on an aggregated basis.

7. Exceptional items and Impairment charges

	Year ended 31 January 2023 **£m**	Period ended 31 January 2022 **£m**
IPO and transition related costs (i)	1.2	-
Costs of building the Unbound consumer brand (ii)	0.7	
Other restructuring and one-off costs (iii)	0.1	-
	2.0	**-**

Exceptional items include the following:

i. Legal, transitional costs, advisory and insurance fees incurred in relation to the Group relinquishing its listing on the FTSE Main Market and subsequent admission to the 'Alternative Investment Market ('AIM') on 1 February 2022.

ii. Costs associated with the creation and launch of the Unbound brand and the development of its technology platform which had not met the criteria for capitalisation under IAS 38.

iii. Other restructuring and one-off costs include severance costs associated with headcount reductions.

Impairment charges arising during the year were as follows:

	Year ended 31 January 2023 £m	Period ended 31 January 2022 £m
Goodwill	6.2	-
Brand	17.0	-
Technology assets	6.3	
Tangible fixed assets	1.3	-
	30.8	-

8. Operating loss

Operating loss is stated after charging/ (crediting)

	12 months ended 31 January 2023 £m	*16 months ended 31 January 2022 £m*
Inventory recognised as an expense	18.5	-
Depreciation of property, plant and equipment	0.6	-
Depreciation of right-of use assets	1.8	
Amortisation of intangible assets - technology	0.8	-
Amortisation of intangible assets - brand	1.5	
Defined contribution pension plan	0.5	-
Short-term lease expenses	0.1	-
Share based payments	0.2	7.6

Auditor's Remuneration

	12 months to 31 January 2023		16 months to 31 January 2022	
	Group £000	**Company £000**	Group £000	Company £000
Audit of Group financial statements pursuant to legislation	**271.6**	**100.0**	**132.6**	**132.6**
Other assurance services*	**-**	**-**	**106.8**	**106.8**
Total auditor's remuneration	**271.6**	**100.0**	**239.4**	**239.4**

The auditors remuneration for the period ended 31 January 2022 were payable to Deloitte LLP who were the auditors of Unbound Group PLC for the period to 31 January 2022. RSM, the current auditors, received remuneration of £109,000 for the audit of the Hotter group for the year ended 31 January 2022.

The other assurance services for the period ended 31 January 2022 include £56,800 related to the half year and second half year reviews and £50,000 relating to reviews of the circulars connected to the listing of Hostmore Group and the AIM listing of Unbound.

Non-Audit Services
It was the Group's practice to employ Deloitte LLP on assignments additional to its statutory audit duties only when its expertise and experience with the Group are important or where it has been awarded assignments on a competitive basis.

9. Employee benefit expenses

Employee benefit expenses (including Directors)

	12 months ended 31 January 2023	*16 months ended 31 January 2022*
	£m	*£m*
Wages and salaries	11.8	0.8
Social security contributions and similar taxes	1.0	0.1
Pension costs	0.5	0.1
Share -based payment charges	0.2	6.9
	13.5	7.9

Average number of people (including Directors) employed by activity

	12 months ended 31 January 2023	*16 months ended 31 January 2022*
Production and management	209	2
Sales and distribution	294	-
	503	2

10. Director emoluments

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of Unbound. The Directors consider key management personnel to be the directors of Unbound.

Director emoluments comprise:

	12 months ended 31 January 2023	*16 months ended 31 January 2022*
	£'000	*£'000*
Remuneration for qualifying services	1,071	791
Social security contributions and similar taxes	134	116
Pension costs	29	50
Long term incentive plans	-	6,900
	1,234	7,857

The highest paid director received total emoluments of £432,000.

Directors participating in defined contribution pension schemes 31 January 2023 was 2 (31 January 2022: 2).

The Electra Private Equity Executive Share of Value Plan ("SoVP") vested in May 2021. As awards made under the plan vested in cash, in order to maintain alignment between the executives and shareholders the executives undertook to reinvest the full net proceeds of their awards in the purchase of new shares issues to them by the Company. As a result, on 7 May 2021 Neil Johnson and Gavin Manson respectively acquired 249,057 and 441,509 shares in the Company at a price of 530p per share, which was the closing market price on the day of the issuance.

11. Interest payable

	12 months ended 31 January 2023 *£m*	*16 months ended 31 January 2022* *£m*
Other interest on financial liabilities	0.9	-
Interest on lease liabilities	0.5	-
	1.4	-

12. Taxation

	12 months ended 31 January 2023	*16 months ended 31 January 2022*
Analysis of charge in year	*£m*	*£m*
Current tax on profits for the year	-	-
Adjustments in respect of previous years	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of temporary differences	0.3	-
Effect of tax rate change on opening balance	-	-
Release of deferred tax liability originally created on brand recognition	4.2	
De-recognition of deferred tax asset due to future profit expectations reducing	(3.9)	-
Total deferred tax	0.6	-
Tax credit per income statement	0.6	-

The tax credits for the periods presented differ from the standard rate of corporate tax in the UK. The differences are explained below:

	12 months ended 31 January 2023 *£m*	*16 months ended 31 January 2022* *£m*
(Loss)/return on ordinary activities before tax	(39.3)	43.6
Tax (credit) expense using Unbound's UK tax rate of 19%/19%	(7.5)	8.2
Effects of:		
Expenses not deductible for tax purposes	2.6	1.6
Investment sales with lower tax cost base	0.2	
Deferred tax asset not recognised	1.1	(0.5)
Deferred tax liability released due to brand impairment	(1.0)	
Derecognition of deferred tax asset brought forward	3.9	-
Fixed asset temporary differences	0.1	-
Capital return not taxable	-	(9.3)
Total taxation (credit) / expense	(0.6)	-

The standard rate of tax applied to reported profit on ordinary activities is 19% (2022: 19%). The Finance Act 2021 which was substantively enacted on 24 May 2021 created a 25% main rate. Deferred tax has been calculated at 25% which is the rate that the deferred tax assets and liabilities are expected to crystalise. The significant tax losses attributable to the group will have a significant impact on future tax charges - see note 18.

13. Dividends

There were no dividends paid, recommended or declared during the current period. In the 16 months to 31 January 2022, a dividend in specie of £161.2m was paid to shareholders as a result of the demerger of TGI Fridays.

14. Goodwill arising on acquisition

As a result of Unbound being admitted to the AIM market on 1 February 2022 and therefore ceasing to be an investment entity in compliance with paragraph B100 of IFRS10 it has applied IFRS 3 to its subsidiary, Beaconsfield Footwear Limited that was previously measured at fair value in its accounts. The acquisition date is deemed to be the date of the change of status being the date that Unbound was admitted to the AIM market (1 February 2022). The fair value of the subsidiary at the deemed acquisition date has been used as the deemed consideration for the purposes of measuring the goodwill. As at 31 January 2022 the subsidiary was valued based on the quoted market price of the company's shares in active markets adjusted for other assets and liabilities held by the Group in line with the requirements for a level 2 asset under IFRS 13.

The acquired business contributed £54.1m of revenue and a loss after tax of £9.0m to the Group for the 12 month period from 1 February 2022 to 31 January 2023.

Details of the acquisition are as follows:

	Fair value at 1 February 2022
	£m
Intangible assets – Brand	22.9
Intangible assets - technology	4.8
Tangible assets	2.3
Right-of-use assets	8.2
Deferred tax assets	3.9
Inventory	4.8
Trade and other receivable	1.6
Cash	3.6
Lease liabilities	(8.5)
Borrowings	(12.1)
Deferred tax liabilities connected to brand asset	(5.6)
Trade and other payables	(11.5)
Provisions	(1.0)
Net assets acquired	**13.4**
Goodwill arising on acquisition	6.2
Fair value of total consideration transferred	**19.6**

Represented by	
Fair value of the Unbound Group plc	23.1
Less: value attributable to assets outside the trading group	(3.5)
Fair value of subsidiaries previously measured at fair value through profit and loss.	19.6

The assets and liabilities acquired have been recognised at their estimated fair values at the acquisition date on the basis the business is being carried on as a going concern and is expected to generate a positive financial contribution going forward.

The brand has been valued using a multiple of excess earnings method and a discount rate derived from a capital asset pricing model using market comparable data.

15. Intangible assets

	Goodwill *£m*	*Brand* *£m*	*Technology assets* *£m*	*Total* *£m*
Cost				
At 1 February 2022	-	-	-	-
Arising on acquisition	6.2	22.9	4.8	33.9
Additions	-	-	2.9	2.9
At 31 January 2023	6.2	22.9	7.7	36.8
Amortisation				
At 1 February 2022	-	-	-	-
Charge for the period	-	(1.5)	(0.8)	(2.3)
Impairments	(6.2)	(17.0)	(6.3)	(29.5)
At 31 January 2023	(6.2)	(18.5)	(7.1)	(31.8)
Net book amount				
At 31 January 2023	-	4.4	0.6	5.0
Net book amount				
At 31 January 2022	-	-	-	-

No intangible assets were owned in the period ending 31 January 2022.

The amortisation charge is included in administrative expenses.

The goodwill arose when Unbound listed on AIM on 1 February 2022 and ceased to be classified as an investment entity so that it began to consolidate its subsidiary Beaconsfield Footwear Limited. The goodwill reflects the difference between the fair value of the deemed consideration and the fair value of assets and liabilities of the trading business.

Goodwill is assessed for impairment on an annual basis by comparing the carrying value to value-in-use calculations of the CGU being the trade of Hotter Shoes carried out by Beaconsfield Footwear Limited , this being the lowest level at which assets generate cash flows independently of each other. Given the worsening in trading performance in the second half of the reporting period, the Directors' have also reviewed whether there is a need to make provision for impairment of the brand asset by comparing the carrying value to value-in-use calculations. Value in use has been estimated using cash flow projections based on detailed board approved budgets and forecasts over the period of three years, with pre-tax discount rate of 15.25% applied, being the Directors' estimate of the Group's cost of capital. The budgets and forecasts are based on historical data and the past experience of the Directors as well as the future plans of the business.

The assessment of the value of the goodwill resulted in an impairment of £6.2m being recognised in the accounts for the year ending 31 January 2023.

Based upon the value in use calculations which had been prepared on the basis of revenue levels falling in the year ending 31 January 2024 and then growing to be 1% above the levels achieved in the year ending 31 January 2023 by the year ending 31 January 2026, no impairment would have been necessary for the brand asset. The VIU calculation resulted in the recoverable amount being £6m lower than the carrying value amount of the CGU's assets, including goodwill and brands. In accordance with IAS 36, the impairment has first been allocated to goodwill. There was no impairment of the brand and other assets. From the year ending 31 January 2027 onwards a 2% growth rate had been assumed.

As a result of Beaconsfield Footwear Limited entering administration on 18 July 2023 an adjusting post balance sheet event occurred which has resulted in the directors impairing the brand value to £4.4m which is consistent with the value ascribed to the brand when this was sold by the administrators of the company. The directors believe that the conditions existing at the time of administration provide further information which impacts the carrying value of the assets at the reporting date. As a result, the directors believe that the values agreed by the administrator with the purchaser of the assets and trade of Beaconsfield Footwear Limited represent a reliable basis on which to conclude that the recoverable amount was less than had been originally estimated using a value in use model. As a result, an impairment of £17.0m has been recorded.

The impairment of technology assets has been made due to:

- the use of the Unbound technology platform (£2.6m) being halted pending the opportunity to invest further in that part of the business and the decision to not implement a finance system (£1.0m) due to the additional investment that would be needed to allow it be implemented effectively - £3.6m of the impairment charge; and
- the core technology platform being impaired to a value consistent with the value received by the administrators of Beaconsfield Footwear Limited for the platform as a result of the administration of Beaconsfield Footwear Limited - £2.7m of the impairment charge.

16. Tangible Assets

	Plant and machinery *£m*	*Fixtures, fittings and equipment* *£m*	*Total* *£m*
Cost			
At 1 February 2022	-	-	-
Arising on acquisition	1.5	0.8	2.3
Additions	-	0.2	0.2
At 31 January 2023	1.5	1.0	2.5
Depreciation			
At 1 February 2022	-	-	-
Charge for the period	(0.3)	(0.3)	(0.6)
Impairments	(0.8)	(0.5)	(1.3)
At 31 January 2023	(1.1)	(0.8)	(1.9)
Net book amount			
At 31 January 2023	0.4	0.2	0.6
Net book amount			
At 31 January 2022	-	-	-

The impairment of the plant and machinery and the fixtures, fittings and equipment has been made to align the carrying value with the value received by the administrators of Beaconsfield Footwear Limited for the asset as a result of the administration of Beaconsfield Footwear Limited.

No tangible assets were owned in the period ending 31 January 2022

17. Right-of-Use Assets and Lease liabilities

	Leasehold property £m
Cost	
At 1 February 2022	-
Arising on acquisition	8.2
Additions	0.2
At 31 January 2023	8.4
Depreciation	
At 1 February 2022	-
Charge for the period	(1.8)
At 31 January 2023	(1.8)
Net book amount	
At 31 January 2023	6.6
Net book amount	
At 31 January 2022	-

The leases relate to the factory, head office and retail store estate

	16 months to 31 January 2022 £m
At 1 October 2020	0.3
Depreciation	(0.2)
Impairment	(0.1)
At 31 January 2022	-

The Group adopted IFRS 16 Leases on 1 October 2019 in respect of the head office which the Group rented, using the "modified retrospective" approach on transition

The group presents lease liabilities separately within the statement of financial position. The movement in the period comprised:

	12 months to 31 January 2023 £m	*16 months to 31 January 2022 £m*
At 1 February 2022 / 1 October 2020	0.1	0.3
Arising on acquisition	8.5	-
Additions	0.2	
Interest expense related to lease liabilities	0.5	-
Repayment of lease liabilities (including interest)	(2.0)	(0.2)
At 31 January 2023 / 31 January 2022	7.3	0.1
Current lease liabilities	**1.8**	**0.1**
Non-current lease liabilities	**5.5**	**-**

The total of cash payments relating to leases, including short term and low value leases, was £2.1m

18. Deferred Tax asset/(liability)

	As at 31 January 2023 £m	*As at 31 January 2022 £m*
At 1 February 2022 / 1 October 2020	-	-
Asset acquired on acquisition of Beaconsfield Footwear Limited	3.9	-
Liability on acquisition related to brand asset	(5.6)	
Credited to income statement in the year	0.3	
Credited to income statement following impairment of brand asset	4.2	
Impairment of loss related deferred tax asset	(3.9)	-
At 31 January 2023 / 31 January 2022	(1.1)	-

The deferred tax liability relates to the intangible brand asset held on the consolidated statement of financial position.

The deferred tax asset recognised on acquisition was attributable to the tax losses carried forward in the acquired business in so far as they were expected to be recoverable at the date of acquisition. As at 31 January 2023, the deferred tax asset is no longer recognised as due to the recent history of tax losses being made by the Hotter business activities, the directors do not consider it probable that future taxable profits will be available against which the unused tax losses can be used.

As at 31 January 2023 the group had unused tax losses carried forward amounting to £30m the tax effect of which is not recognised in the accounts. The deferred tax liability carried forward has been calculated on the basis of substantively enacted UK corporate tax rates which will be 25% from 1 April 2023 and were 19% prior to that date. The deferred tax liability relates solely to the imputed tax impact of the amortisation of the brand asset recognised as part of the acquisition accounting.

19. Inventories

	As at 31 January 2023 £m	*As at 31 January 2022 £m*
Raw Materials	0.9	-
Finished goods	4.9	-
	5.8	-

The difference between the purchase price or production cost of stock and their replacement cost is not material.

Inventories are stated after a provision for impairment of £0.1m as at 31 January 2023. Inventory provisions are based on estimates and assumptions of management and further detail on these estimates is detailed in Note 3.9.

The provision for inventory obsolescence is recognised in cost of sales in the Consolidated Income Statement. Inventories recognised as an expense included in cost of sales are £18.6m for the period ended 31 January 2023.

20. Trade and Other Receivables

	As at 31 January 2023 £m	As at 31 January 2022 £m
Amounts falling due within one year		
Trade receivables	0.7	-
Other receivables	0.2	0.6
Prepayments	0.9	-
	1.8	0.6

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. The majority of trade and other receivables are non-interest bearing. Where the effect is material, trade and other receivables are discounted using discount rates which reflect the relevant costs of financing. The carrying amount of trade and other receivables approximates fair value.

Analysis of trade receivables based on age of invoices £m:

	< 30 days	*31–60 days*	*61-90 days*	*> 90 days*	*Total Gross*	*ECL*	*Total Net*
31 January 2023	0.3	-	0.2	0.2	0.7	-	0.7

Unbound applies the IFRS 9 simplified approach to measuring expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables. The ECL balance has been determined based on historical data available to management in addition to forward looking information utilising management knowledge.

21. Trade and Other Payables

	As at 31 January 2023 £m	As at 31 January 2022 £m
Amounts falling due within one year		
Trade payables	5.6	-
Other payables	1.4	0.5
Accruals	5.4	1.8
Other taxation and social security	1.3	-
	13.7	2.3

The directors consider that the carrying value of trade and other payables approximates to their fair value.

22. Provisions

	As at 31 January 2023 £m	As at 31 January 2022 £m
At 1 February 2022 / 1 October 2020	0.5	0.2
Arising on acquisition	1.0	
Amounts paid	(0.6)	(0.2)
Additional provisions recognised	0.2	0.5
At 31 January 2023 / 31 January 2022	**1.1**	**0.5**
Current provisions	0.1	0.5
Long term provisions	1.0	-

Provisions have been made predominantly for property related costs and were expected to be utilised within three years of the balance sheet date.

23. Borrowings

	As at 31 January 2023 £m	As at 31 January 2022 £m
Bank loans - current	2.0	-
Bank loans – long term	8.1	-
	10.1	**-**

The Group's overdraft and other credit facilities amount to £10.1m and are secured over all the assets of Beaconsfield Footwear Limited and also by share pledge given by it's parent company Hotter Limited. The loan is due for repayment as follows:

- £1million each six months on 31 July and 31 January until;
- 31 December 2024 when the remaining balance is due for repayment.

The lending banks have agreed to defer covenant tests as a result of the Group's anticipated breach of the covenant tests due to the deterioration in trading conditions in the second half of the year ended 31 January 2023 and the beginning of the year ending 31 January 2024. Discussions were ongoing with the banks to defer the repayments due during the year ending 31 January 2024 and ultimately were unsuccessful which led to Beaconsfield Footwear Limited entering administration.

24. Financial Instruments

The following table shows the carrying amounts and fair values of financial assets and liabilities. Financial assets measured at amortised cost comprise trade receivables, other receivables and cash. It does not include current tax receivable and prepayments. Financial liabilities measured at amortised cost comprise trade payables, other payables, accruals, lease liabilities and borrowings. It does not include other taxation and social security. Unbound has no financial and non-financial assets and liabilities measured at fair value through the profit and loss as at 31 January 2023.

Category of financial instrument	As at 31 January 2023 £m	As at 31 January 2022 £m
Carrying value of financial assets		
Equity shares	-	23.4
Trade and other receivables	0.9	0.4
Cash at bank and on hand	1.2	1.9
Total financial assets	**2.1**	**25.7**
Carrying value of financial liabilities		
Trade and other payables	12.4	2.3
Bank and other borrowings	10.1	-
Lease liabilities	7.3	-
Total financial liabilities	**29.8**	**2.3**

The difference between fair value and carrying value of the financial assets and liabilities is not significant.

25. Financial Risk Management

Unbound is exposed through its operation to the following financial risks: credit risk, interest rate risk, foreign exchange risk and liquidity risk. Risk management is carried out by the directors of Unbound. Unbound uses financial instruments to provide flexibility regarding its working capital requirements and to enable it to manage specific financial risks to which it is exposed.

Unbound finances its operations through a mixture of debt finance, cash and liquid resources and various items such as trade debtors and trade payables which arise directly from Unbound's operations.

Credit risk

Credit risk is the risk of financial loss to Unbound if a customer or counterparty to a financial instrument fails to meet its contractual obligations. In order to minimise the risk, Unbound endeavours only to deal with companies which are demonstrably creditworthy and this, together with the aggregate financial exposure, is continuously monitored.

The maximum exposure to credit risk is the carrying value of its financial receivables, trade and other receivables and cash and cash equivalents as disclosed in the notes to the historical financial information.

The Group's exposure to credit risk principally arises from its cash deposits. Only major banks are used when making cash deposits and the level of cash is reviewed on a regular basis. In total, cash balances of £1.2m (31 January 2022: £1.9m) was principally held with two UK banks, whose credit ratings are listed in the table below.

Bank credit ratings as at 31 January 2023	Moody's
HSBC	A1 (stable)
Royal Bank of Scotland International	A3 (stable)

Unbound seeks to obtain charging orders over the property of trade receivables, where appropriate. The receivables' age analysis is also evaluated on a regular basis for potential doubtful debts, considering historic, current and forward-looking information. Further disclosures regarding trade and other receivables are provided in note 20.

Interest rate risk

Unbound had borrowings outstanding from its lending bankers. The Group fixed its interest rate risk for the quarter ahead when it fixed its interest rate with its lending banking. It did not hedge interest rate risk beyond the current interest setting period.

Foreign exchange risk

Foreign exchange risk arises when Unbound enter into transactions in a currency other than their functional currency. Unbound's policy is, where possible, to settle liabilities denominated in a currency other than its functional currency with cash already denominated in that currency and it had no forward contracts at year end.

Liquidity risk
Unbound seeks to maintain sufficient cash balances. Management reviews cash flow forecasts on a regular basis to determine whether Unbound has sufficient cash reserves to meet future working capital requirements and to take advantage of business opportunities.

A maturity analysis of Unbound's financial instrument liabilities is set out in the following table:

	Within one year £m	More than one year £m	At 31 January 2023 £m	Within one year £m	More than one year £m	At 31 January 2022 £m
Non-interest bearing						
Trade and other payables	12.4	-	12.4	2.3	-	2.3
Interest bearing						
Bank borrowings	2.0	8.1	10.1	-	-	-
Lease liabilities	1.8	5.5	7.3	-	-	-
	16.2	13.6	29.8	2.3	-	2.3

Capital Disclosures

The capital structure of the business consists of cash and cash equivalents, debt and equity. Equity comprises share capital and retained losses and is equal to the amount shown as 'Equity' in the Statement of Financial Position. Debt comprises various items which are set out in further detail above and in the notes to the accounts.

Unbound's current objectives when maintaining capital are to:

- Safeguard Unbound's ability as a going concern so that it can continue to pursue its growth plans.
- Provide a reasonable expectation of future returns to shareholders.
- Maintain adequate financial flexibility to preserve its ability to meet financial obligations, both current and long term.

Unbound sets the amount of capital it requires in proportion to risk. Unbound manages its capital structure and adjusts it in the light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust the capital structure, Unbound may issue new shares or sell assets to reduce debt.

The Group's capital, as at 31 January 2023, comprised share capital of £10.8m (31 January 2022: £10.6m) and total other reserves of a negative £23.1m (31 January 2022: £12.5m).

The Group's objective in the management of capital risk is to maintain an optimal capital structure. In doing so the Group may adjust the amount of dividends paid to shareholders or issue new shares or debt. The Group has an existing authority to implement an on-market share buy-back programme to generate shareholder value. There are no externally imposed requirements on the Company's capital.

Reconciliation of liabilities arising from financing activities

	As at 31 January 2022 £m	*Business acquired £m*	*Cash flows £m*	*Non-cash changes £'m*	*As at 31 January 2023 £m*
Borrowings	-	12.1	(2.0)	-	10.1
Lease liabilities	-	8.5	(2.0)	0.8	7.3
Total liabilities from financing activities	-	20.6	(4.0)	0.8	17.4

Risks relevant to the prior period as an investment trust

Financial Instrument Risk

The Group's financial instruments comprise securities in listed and unlisted companies, trade receivables, trade payables and cash. The main risks arising from the Group's and Company's financial instruments are fluctuations in market price, liquidity and capital. The policies for managing each of these risks are summarised below. The financial risks of the Company are aligned to the Group's financial risks.

Market Price Risk

Market price risk arises mainly from uncertainty about future prices of financial instruments used in the Group's operations. It represents the potential loss the Group might suffer through holding market positions in the face of price movements. The Group is exposed to the risk of the change in value of its investments in listed and unlisted equity.

Liquidity Risk

The Group's assets comprise unlisted equity, which is illiquid by nature. Short-term flexibility is achieved through holding of cash, which is available on demand, and liquid investments such as listed equity. The Group's financial liabilities are expected to be settled in less than a year.

26. Called up Share Capital and Reserves

	Ordinary shares No.	*Deferred shares No.*	*Total No.*	*Ordinary shares £*	*Deferred shares £*	*Total £*
As at 30 September 2020	38,282,763	-	38,282,763	9,570,690	-	9,570,690
New issue 21 May 2021	690,566	-	690,566	172,642	-	172,642
New issue 13 January 2022	3,284,799	-	3,284,799	821,200	-	821,200
As at 31 January 2022	42,258,128	-	42,258,128	10,564,532	-	10,564,532
Share split 10 August 2022		42,258,128	42,258,128	(10,141,951)	10,141,951	-
New issue 11 August 2022	22,897,852	-	22,897,852	228,979	-	228,979
As at 31 January 2023	65,155,980	42,258,128	107,414,108	651,560	10,141,951	10,793,511

The Company has 65,155,980 allotted, called up and fully paid ordinary shares of 1p each ((31 January 2022: 42,258,128 shares of 25p each) and 42,258,128 allotted called up and fully paid deferred shares of 24p each (31 January 2022 nil shares) totalling £10.8 million as at 31 January 2023 (31 January 2022: £10.6m).

In August 2022, the company split its capital into ordinary shares which retained all the rights associated with the original ordinary shares and deferred shares which have no voting rights, nor any rights to a financial return to the members in order to effect a fundraising which resulted in the issuance of 22,897,852 new ordinary shares which raised £3.4 million of new funds (£3.1 million after costs) for the Company.

Upon vesting of the Electra SoVP in May 2021, the Company issued a total of 690,566 ordinary shares to the Chairman and CFOO (before the Company's transition to Unbound). In January 2022, 3,284,799 of the Company's new shares were issued to the management team at Hotter in settlement of its entitlement under the Hotter Management Incentive Plan ("MIP"). All recipients of the new shares have retained the shareholding in the Company since issuance.

Share Premium

	Total £m
As at 30 September 2020	-
Arising on share issue on 21 May 2021 – 505p per share	3.5
Arising on share issue on 13 January 2022 – 45p per share	1.5
As at 31 January 2022	5.0
Arising on share issue on 11 August 2022 – 14p per share	2.9
As at 31 January 2023	7.9

Costs of £0.3m associated with the share issuance in August 2022 have been netted off the £3.2m proceeds attributable to the share premium account so that £2.9m is credited to the share premium account.

Own Shares Held

Own shares held are shares purchased by the Company's Employee Benefit Trust (the "Trust") in relation to the LTIP and SAYE scheme operated by the Company. The Trust waives its rights to dividends on the shares held. The number of shares held by the Trust was 646,831 as at 31 January 2023 (31 January 2022: 690,481). These shares are held at a historic cost of £2.3m (2020: £2.4m).

43,650 shares were gifted to employees in April 2022 as part of the admission to AIM process as a reward for their services to the business.

Capital Reserve

The capital reserve included both realised capital reserve, which is the accumulated gains and losses on the realisation of investments and unrealised capital reserve, which is the accumulated changes in the value of financial instruments measured at fair value which have been charged through profit and loss. On admission to Aim when Unbound Group PLC ceased to be an investment trust this reserve was combined with the Revenue reserves

Revenue Reserve

The revenue reserve is the accumulated net profits and losses of the Group.

27. Cash flows from operating activities

	Period ended 31 January 2023 £m
Loss before taxation	(39.3)
Adjustments	
Amortisation of intangible assets	2.3
Depreciation of tangible assets	0.6
Amortisation of Right of Use assets	1.8
Impairment of intangible assets	30.8
Share based payments charge	0.2
Settlement of provisions	(0.2)
Loss on disposal of investments	1.2
Net interest expense	1.4
	(1.2)
Working capital movements	
Increase in inventories	(0.9)
Decrease in trade and other receivables	0.2
Increase in trade and other payables	-
Cash generated by operating activities	***(1.9)***
Taxation	-
Net cash inflow / (outflow) from operating activities	**(1.9)**

In the previous period the company reported under the investment trust rules and the cash flow was presented on the direct attribution basis as follows:

	Period ended 31 January 2022
	£m
Purchase of trading investments	(40.2)
Sales of trading investments	50.2
Dividends and distributions received	0.7
Interest income received	1.5
Expenses paid	(11.5)
Net cash flow from operating activities	***0.7***
Tax repaid	0.1
Net cash inflow from operating activities	**0.8**

28. Share based payments

The movements in awards during the year was:

Date of grant	*Opening balance*	*Granted during the period*	*Lapsed during the period*	*Closing balance*	*Exercise price (pence)*	*Exercise period*
	Number of shares					
ESOP – 18/3/22	-	2,041,290	(598,377)	1,442,913	nil	18 March 2025 to 17 March 2032
CSOP – 9/6/22	-	1,628,747	-	1,628,747	27.34p	18 March 2025 to 17 March 2032
	-	3,670,037	(598,377)	3,071,660		

Executive Share Option Plan ("ESOP")

The Group operated a share option scheme during the year for certain employees under the ESOP, which allows non-tax advantaged options to be granted over the Company's shares to selected employees of the Group. New options were granted at a zero exercise price with two performance conditions with half the award being exercisable if an earnings per share target is achieved and the other half being exercisable if a total shareholder return target is achieved. The options vest after three years and those granted to the two directors are then subject to a two year hold period. The exercise of the options is subject to continued employment at the exercise date or the completion of the holding period.

Company Share Option Plan ("CSOP")

The Group operated a share option scheme during the year for certain employees under the CSOP, which allows tax advantaged options to be granted over the Company's shares to selected employees of the Group. New options are granted at a price consistent with the mid-market price of an ordinary share on the dealing day immediately preceding the date of grant. The options vest after three years and have an exercise life ending six months after the options vest. The exercise of the options is subject to continued employment until three years after grant.

None of the above options were exercisable at 31 January 2023 and are all equity settlement options.

All share options were valued using the Black-Scholes model. Expected volatility was determined by on the basis of historical volatility over a term commensurate with the projection period but excluding four months in 2020 which were exceptionally volatile due to COVID-19 market movements. The risk-free rate of return input into the model was based on the implied yield curve of government bonds for the UK.

The inputs to the model were as follows:

	ESOP	*CSOP*
Grant date	18 March 2022	9 June 2022
Share price at grant date	37.00p	34.50p
Exercise price	nil	27.34p
Dividend yield	0%	0%
Vesting period (years)	3	n/a
Expected volatility	48.1%*	45.6%
Risk free rate	1.18%*	1.97%
Fair value at grant date		15.18p
(with a two year holding period for directors **)	37.04p	
(with no holding period for other employees)	40.04p	

Notes
* - only relevant to the Total Shareholder Return (TSR) element of the award
** - discounted for a lack of marketability during the two year holding period using the Finnerty model

As at 31 January 2023, the weighted average exercise price of outstanding share options was 14.5 pence.

29. Interests in Subsidiaries

Subsidiary Undertakings

The results and balances of the following subsidiaries are included in the consolidated financial statements of the Group for the year ended 31 January 2023:

Name	**Principal Place of business / Country of incorporation**	**Principal activities**	**Proportion held**
Beaconsfield Footwear Limited	2 Peel Road, West Pimbo, Skelmersdale, Lancashire, England, WN8 9PT	Footwear retailer	100%
Unbound Trading Limited	2 Peel Road, West Pimbo, Skelmersdale, Lancashire, England, WN8 9PT	Apparel retailer	100%
Unbound Holdco Limited *	2 Peel Road, West Pimbo, Skelmersdale, Lancashire, England, WN8 9PT	Intermediate holding company	100%
Galaxy Topco Limited *	2 Peel Road, West Pimbo, Skelmersdale, Lancashire, England, WN8 9PT	Intermediate holding company	100%
Galaxy Midco Limited	2 Peel Road, West Pimbo, Skelmersdale, Lancashire, England, WN8 9PT	Dormant	100%
Galaxy Bidco Limited	2 Peel Road, West Pimbo, Skelmersdale, Lancashire, England, WN8 9PT	Intermediate holding company	100%

Hotter Group Holdings Limited	2 Peel Road, West Pimbo, Skelmersdale, Lancashire, England, WN8 9PT	Dormant	100%
Hotter Holdings Limited	2 Peel Road, West Pimbo, Skelmersdale, Lancashire, England, WN8 9PT	Dormant	100%
Beaconsfield Group Holdings Limited	2 Peel Road, West Pimbo, Skelmersdale, Lancashire, England, WN8 9PT	Dormant	100%
Hotter Limited	2 Peel Road, West Pimbo, Skelmersdale, Lancashire, England, WN8 9PT	Dormant	100%
Comfort Concept Limited	2 Peel Road, West Pimbo, Skelmersdale, Lancashire, England, WN8 9PT	Dormant	100%
Hotter MIPco Limited *	2 Peel Road, West Pimbo, Skelmersdale, Lancashire, England, WN8 9PT	Dormant	100%
Electra Private Equity Limited *	2 Peel Road, West Pimbo, Skelmersdale, Lancashire, England, WN8 9PT	Dormant	100%
Mondays (Topco) Limited *	2 Peel Road, West Pimbo, Skelmersdale, Lancashire, England, WN8 9PT	Dormant	100%
Tuesdays (Midco) Limited	2 Peel Road, West Pimbo, Skelmersdale, Lancashire, England, WN8 9PT	Dormant	100%

(* - directly held subsidiaries)

The Directors of the dormant subsidiaries are exempt from the requirement to prepare the company's individual accounts to the registrar by virtue of Section 394A of the UK Companies Act 2006 and are exempt from the requirement to deliver a copy of the company's individual accounts to the registrar by virtue of Section 448A of the UK Companies Act 2006

30. Related Party Transactions

Balances and transactions between the Company and its subsidiaries are eliminated on consolidation. Details of transactions between the Company and other related parties are disclosed below.

The Electra Private Equity Executive Share of Value Plan ("SoVP") vested in May 2021. As awards made under the plan vested in cash, in order to maintain alignment between the executives and shareholders the executives undertook to reinvest the full net proceeds of their awards in the purchase of new shares issued to them by the Company. As a result, on 7 May 2021 Neil Johnson and Gavin Manson respectively acquired 249,057 and 441,509 shares in the Company at a price of 530p per share, which was the closing market price on the day of the issuance.

Prior to Admission to AIM on 1 February 2022, the executives of Hotter undertook to receive awards due to them under the Hotter Shoes Management Incentive Arrangements as shares in Unbound Group plc rather than in cash. This ensured continued alignment between the objectives of Hostmore management and shareholders. As announced on 9 December 2021 and 14 January 2022, Ian Watson, the CEO of Hotter Shoes, and from Admission to AIM the CEO of Unbound Group plc received 2,086,833 shares in Unbound Group plc.

Sherborne Investors Management LP ("Sherborne") has served as an adviser to the Group on research and formulation as well as making proposals to the Board of Directors. Stephen Welker, who is also a Partner in Sherborne, served as a Non-Executive Director in the Company until his resignation on 1 November 2021. Under the terms of its contract with the Company, Directors appointed by Sherborne have waived their fees but were entitled to be reimbursed for all reasonable expenses. In the 16 months to 31 January 2022, Sherborne charged no expenses to the Company and no outstanding amount was payable by the Company as at 31 January 2022. There are now no Directors of the Company appointed by Sherborne.

31. Capital Commitments and Contingencies

There were no outstanding capital commitments or contingent liabilities as at 31 January 2023 or 31 January 2022.

32. Post Balance Sheet Events

Subsequent to the year end the Group was in discussions with a third party about a possible cash offer for the entire share capital of Unbound Group plc and another third party about a possible investment via an equity placing. On 10 May 2023, the Board announced that the discussions with both parties had been discontinued and that the trading environment remained challenging and that the Board was well advanced in conducting a wider review of the operating structure of the Group in order to drive growth of revenue and profits over the medium term.

The Board continued to work with its advisors as well as the banks and creditors of Beaconsfield Footwear Limited, the Group's only trading company. These efforts to find a solution allowing the continued solvency of Beaconsfield Footwear Limited were ultimately not successful and on 17 July 2023 Beaconsfield Footwear entered Administration.

The Administrator sold the trade and assets of Beaconsfield Footwear Limited for total consideration of £6.7m on behalf of the secured creditors. The impairment provisions recorded at 31 January 2023 as described in notes 15 and 16 are such that no further loss was incurred when the subsidiary entered Administration.

The Company is joint and severally liable to HMRC in respect of VAT balances that were payable by Beaconsfield Footwear Limited at the time that it entered administration. At the date of approval of these financial statements, the directors do not have any information available to them to determine whether any amounts may be payable by the Company.

In order provide funding for the Unbound Group plc to continue in the short term to find a solution on 27 July 2023 6,500,000 shares were issued at a subscription price of 1 pence per share.

The Board has subsequently been working with its creditors and its investments to secure a long-term future, including activity to identify a possible reverse take-over target.

On 18 January 2024 the listing of the shares of the Company on AIM was cancelled.

Company Statement of Financial Position

Note	As at	31 January 2023 £m	31 January 2022 £m
	Non-current assets		
3	Investments	-	-
	Total non-current assets	**-**	**-**
	Current assets		
4	Investments held at fair value	-	23.4
5	Amounts owed by group undertakings	-	-
6	Trade and other receivables	0.1	0.4
	Current tax assets	-	0.2
	Cash	-	1.9
	Total current assets	**0.1**	**25.9**
	Total assets	**0.1**	**25.9**
	Current liabilities		
7	Trade and other payables	(0.8)	(2.3)
8	Provisions	-	(0.5)
	Total liabilities	**(0.8)**	**(2.8)**
	Net assets	**(0.7)**	**23.1**
	Capital and reserves		
9	Called up share capital	10.8	10.6
9	Share premium	7.9	5.0
9	Own shares held	(2.3)	(2.4)
9	Capital reserve	-	74.3
9	Revenue reserve	(17.1)	(64.4)
	Total equity	**(0.7)**	**23.1**

The loss dealt with in the financial statements of the parent company for the 12 months to 31 January 2023 is £27.1m (16 months to 31 January 2022: return of £43.0m).

The accompanying notes on pages 68 to 71 are an integral part of these financial statements.

Approved by the Board of Directors and signed on its behalf by:

Gavin Manson
Director
22 April 2024

Unbound Group plc
Company number: 00303062

Company Statement of Changes in Equity

	Called up share capital £m	*Share premium £m*	*Own shares held £m*	*Capital reserve £m*	*Profit and loss account/Revenue reserve £m*	*Total equity £m*
As at 1 October 2020	9.6	-	(2.4)	226.5	(98.4)	135.3
Distribution in specie	-	-	-	(161.2)	-	(161.2)
Share issuance (note 9)	1.0	5.0	-	-	-	6.0
Net return for the period	-	-	-	9.0	34.0	43.0
At 31 January 2022 - Electra	**10.6**	**5.0**	**(2.4)**	**74.3**	**(64.4)**	**23.1**
Reserves combination on ceasing to be an investment trust	-	-	-	(74.3)	74.3	-
As at 1 February 2022 - Unbound	**10.6**	**5.0**	**(2.4)**	**-**	**9.9**	**23.1**
Share issuance (note 9)	0.2	2.9	-	-	-	3.1
Total comprehensive loss for the period	-	-	-	-	(27.1)	(27.1)
Share based payments charge	-	-	-	-	0.2	0.2
Issuance of shares to employees	-	-	0.1	-	(0.1)	-
As at 31 January 2023	**10.8**	**7.9**	**(2.3)**	**-**	**(17.1)**	**(0.7)**

The accompanying notes on pages 68 to 71 are an integral part of these financial statements.

Notes to the Company financial statements

1. Accounting policies

The Company financial statements comprise the separate financial statements of Unbound Group Plc. The Company was listed on the Alternative Investment Market (AIM) of the London Stock Exchange (ticker: UBG) until 18 January 2024.

The financial statements are presented in GBP, the company's functional currency, rounded to the nearest £100,000.

Basis of preparation
These financial statements were prepared in accordance with FRS 101 'Reduced Disclosure Framework' and the Companies Act 2006 and presented in £m.

As permitted by FRS 101, the Company has taken advantage of all of the disclosure exemptions available to it, including (where applicable): statement of cash flows, new Accounting Standards not yet mandatory, presentation of comparative information for certain assets, impairment of assets, capital risk management, financial instruments, fair value measurement, key management personnel, related party transactions, business combinations, revenue, share-based payments and leases.

The accounting policies applied in the preparation of these Company financial statements are the same as those set out in note 3 to the consolidated financial statements with the addition of the following:

Investments
Investments in subsidiaries are stated at initial cost plus any subsequent contributions, less accumulated impairment.

Amounts owed by group undertakings
Amounts owed by group undertakings can be called upon on short notice or are repayable on demand.

2. Significant Accounting Estimates and Judgements

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 year-end 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.

Investments
The Company reviews the carrying value of its investments in subsidiaries and provides against the historic cost of the investments to the extent that the carrying value exceeds the amount implied by the group accounts.

For investments held at fair value which was of relevance under the investment trust accounting framework the Company estimated the fair value of each investment at the reporting date in accordance with IFRS 13 and the International Private Equity and Venture Capital Valuation ("IPEV") Guidelines. Fair value is the price for which an asset could be exchanged between knowledgeable and willing parties in an arm's length transaction. In estimating fair value, the Manager applied a valuation technique which was appropriate in light of the nature, facts and circumstances of the investment and used reasonable current market data and inputs combined with judgement and assumptions. Valuation techniques were applied consistently from one reporting date to another except where a change in technique resulted in a better estimate of fair value.

In respect of unlisted investments, the Company selected one or more of the following valuation techniques:

- a market approach, based on the price of the recent investment, earnings multiples or industry valuation benchmarks;
- *an income approach, employing a discounted cash flow technique; and*
- a replacement cost approach valuing the net assets of the portfolio company.

In assessing whether a methodology was appropriate the Company maximised the use of techniques that drew heavily on observable market-based measures of risk and return. In some circumstances the Company may have applied a multiple to the net assets of a business, typically where the business' value derives mainly from the underlying fair value of its assets rather than its earnings, such as property holding companies. The fair value of listed investments is based on quoted prices in active markets at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price.

Impairment of amounts owed by group undertakings
The Company performs expected credit loss tests based on the recoverable amount of loans between companies within the Group. The recoverable amount is based on the net assets of the company in which the debt lies. The effect of the time value of money is not material and therefore the amounts are not discounted.

3. Investments

	As at 31 January 2023 £m	*As at 31 January 2022 £m*
At 1 February 2022 / 1 October 2020	-	-
Arising from business combination	19.6	-
Impairment provisions	(19.6)	-
At 31 January 2023 / 31 January 2022	-	-

The company's investment in its principal trading subsidiary Beaconsfield Footwear Limited has been impaired to zero as a result of the administration of the company in July 2023. The company's other unlisted investments which are expected to generate future income for the group are held at their nominal cost in the statement of Financial Position.

A detailed list of subsidiaries is detailed within note 29 to the consolidated financial statements.

4. Investments held at fair value

	As at 31 January 2023 £m	As at 31 January 2022 £m
Listed equity investments	-	2.2
Unlisted equity investments	-	19.6
Private equity direct investments	-	1.6
	-	23.4

5. Amounts owed by group undertakings

	As at 31 January 2023 £m	As at 31 January 2022 £m
At 1 February 2022 / 1 October 2020	-	-
Loans made in the period	3.4	-
Expected credit losses	(3.4)	-
At 31 January 2023 / 31 January 2022	-	-

Loans to group undertakings were unsecured, non-interest bearing and due on demand

6. Trade and Other Receivables

	As at 31 January 2023 £m	As at 31 January 2022 £m
Amounts falling due within one year		
Other receivables	0.1	0.4
	0.1	0.4

7. Trade and Other Payables

	As at 31 January 2023 £m	As at 31 January 2022 £m
Amounts falling due within one year		
Trade payables	0.2	-
Other payables	-	2.3
Accruals	0.6	-
	0.8	2.3

8. Provisions

	As at 31 January 2023 £m	As at 31 January 2022 £m
Opening balance	0.5	0.2
Amounts paid	(0.5)	(0.2)
Change in provision	-	0.5
Closing balance	**-**	**0.5**
Current provisions	-	0.5

Provisions relate to property related costs

9. Share capital
Details of movements in the share capital is set out in note 26 of the consolidated accounts.

10. Taxation
The company had tax losses carried forward at 31 January 2023 of £17m. No asset has been recognised on the statement of financial position for the value of these tax losses (£4.25m) given the uncertainty around their future usage.

11. Dividends
There were no dividends paid, recommended or declared during the current financial period. During the 16 months financial period ended 31 January 2022 a dividend in specie was made of £161.2m which related to the distribution of the shares in the Hostmore Group which were separately listed.

12. Key management personnel disclosures
The aggregate compensation made to Directors who are the key management personnel of the Company is set out in note 10 to the group accounts and in the remuneration report section of the annual report.

13. Auditor remuneration
The auditor's remuneration for audit and other services is disclosed within note 8 to the consolidated financial statements.

14. Contingent liabilities
The Company had no material contingent liabilities as at 31 January 2023 and 31 January 2022.

15. Share based payments
Details of movements in the share-based payments are set out in note 28 of the consolidated accounts.

16. Ultimate Controlling party
There is no ultimate controlling party.

17. Post balance sheet events
Post balance sheet events impacting the Company are set out in note 32 of the group accounts.