

# QUIZ

27 December 2024

**QUIZ plc**  
("QUIZ" or the "Group")

## Interim Results for the six months ended 30 September 2024

QUIZ, the omni-channel fashion brand, announces its unaudited interim results for the six months ended 30 September 2024 ("H1 2025" or the "Period").

### H1 2025 FINANCIAL SUMMARY:

	Six months to 30 September 2024 (unaudited)	Six months to 30 September 2023 (unaudited)
Group revenue	£39.1m	£42.3m
EBITDA	(£0.5m)	£1.1m
Loss before tax prior to non-recurring costs	(£4.1m)	(£1.5m)
Loss before tax	(£4.7m)	(£1.5m)
Loss per share	(4.69p)	(0.96p)
Operating cash flows	£1.7m	£2.1m
Net (borrowings)/cash	(£3.0m)	£3.6m

### POST PERIOD-END EVENTS

#### Trading update

- As announced in the Group's trading update on 6 December 2024, for the first three months of the period from 1 August to 31 October, several of the Group's KPIs were trending positively. However, during the important trading month of November, QUIZ experienced a marked decline in traffic both online and in-store compared to previous months and the comparable period in the prior year. Revenues in the period from 1 August to 30 November 2024 amounted to £24.9 million, a £1.5 million reduction on the prior period.
- Since that update, while demand in December has shown signs of improvement with online revenues broadly consistent with the prior year on a like-for-like basis, sales in store continue to trend behind those achieved last year. As a result, total revenues in December continue to fall short of management's expectations and have not compensated for the shortfall in revenues experienced in November.
- Ongoing improvements in the Group's cost base to date will be offset by the recent proposed changes to the National Living Wage and Employer's National Insurance arrangements, resulting in circa £1.7 million per annum of additional costs from April 2025.

#### Cash position

- The Group has £4.0 million of bank facilities which are scheduled to expire on 30 June 2025. There are no financial covenants applicable to these facilities which are repayable on demand.
- As at 26 December 2024, the Group had net borrowings of £3.5 million and total liquidity headroom of £0.5 million.
- Given the disappointing level of revenues in the important Christmas trading period, as announced on 6 December 2024, the cash headroom available to the business is less than previously anticipated. As a result, the Board anticipates that additional funding will be required by the Group in early 2025.

#### Proposed de-listing from AIM

- As announced by the Company on 20 December 2024, the Directors have, after an extensive review, concluded that it is in the best interests of the Company and its Shareholders to seek Shareholder approval for the voluntary cancellation of admission of the Ordinary Shares to trading on AIM and for the Company to be re-registered as a private limited company. In accordance with Rule 41 of the AIM Rules, the Company has notified Shareholders and the London Stock Exchange of the date of the proposed Cancellation.
- The Company is seeking Shareholder approval for the Cancellation and Re-registration at the General Meeting, which has been convened for 11am on 8 January 2025 at 61 Hydepark Street, Glasgow, G3 8BW. The Company is also seeking Shareholder approval at the General Meeting for the amendment of the Current Articles.
- If the Cancellation Resolution is passed at the General Meeting, it is anticipated that the Cancellation will become effective at 7.00 a.m. on 23 January 2025. The Cancellation Resolution is conditional, pursuant to Rule 41 of the AIM Rules, upon the approval of Shareholders holding not less than 75 per cent of the votes cast by Shareholders (whether present in person or by proxy) at the General Meeting, notice of which is set out at the end of this Document.
- The Company has received irrevocable undertakings from to vote in favour of the Resolutions set out in the Notice of General Meeting represent in aggregate approximately 66.7 per cent of the Company's issued share capital.
- Subject to the Cancellation becoming effective, it is anticipated that the Non-Executive Directors of the business will stand down from the Board.

#### Enquiries:

**QUIZ plc**  
Sheraz Ramzan, Chief Executive Officer  
Gerry Sweeney, Chief Financial Officer

**Via Hudson Sandler**

**Notes:**

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR").

**Chairman's Interim Statement**

The Group's disappointing financial results for six months ended 30 September 2024 ("H1 25" or the "Period") in part reflect the impact of inflationary pressures on consumer confidence and spending. This has led to an 8% reduction in revenues during the Period to £39.1 million. Despite management's efforts to control costs tightly and improve the gross margin the Group incurred a loss before tax of £4.7 million (H1 24: loss of £1.5 million).

The financial statements continue to be prepared on the going concern basis but it is noted that given the material uncertainties highlighted in the Basis of Preparation, including the need to secure additional funding in early 2025 and substantially reduce the Group's cost base going forward which is likely to involve the cessation of certain parts of the business, there exists substantial risks associated with the Group's ability to continue as a Going Concern and to realise its assets and discharge its liabilities in the normal course of business should these factors not be addressed satisfactorily.

The Group's revenue by channel during the Period is set out below:

	<b>Six months to 30 September 2024 (unaudited)</b>	<b>Six months to 30 September 2023 (unaudited)</b>	<b>Year-on-year change</b>
Online	£10.6m	£12.6m	-15.9%
UK stores and concessions	£20.3m	£22.0m	-7.7%
International	£8.2m	£7.7m	+6.5%
Total	£39.1m	£42.3m	-7.6%

**Online:** sales have been impacted by lower levels of traffic to QUIZ's own website reflecting subdued consumer demand for the brand, partly offset by the benefit of commencing sales through the Debenhams website earlier in the year.

**UK stores and concessions:** as at 30 September 2024 the Group operated 62 stores and 47 concessions in the UK (30 September 2023: 64 stores and 60 concessions). The performance of the UK stores and concessions channel has been impacted by weak footfall trends reflecting subdued consumer demand. Three stores closed in the Period and one store in Sunderland was opened which is concentrated on sale product allowing our flagship stores to increasingly focus on full priced product.

**International:** revenues benefited from a good performance with the Group's partners in the Middle East and the USA. The transfer of QUIZ's largest international market to a new partner during the Period resulted in increased revenues.

The gross margin performance in the Period was consistent year-on-year.

**Post-period end events**

**Trading update**

As announced in the Group's trading update on 6 December 2024, for the first three months of the Period from 1 August to 31 October, several of the Group's KPIs were trending positively. However, during the important trading month of November, QUIZ experienced a marked decline in traffic both online and in-store compared to previous months and the comparable period in the prior year. Revenues in the period from 1 August to 30 November 2024 amounted to £24.9 million, a £1.5 million reduction on the prior year period.

Since that update, while demand in December has shown signs of improvement with online revenues broadly consistent with the prior year on a like-for-like basis, sales in store continue to trend behind those achieved last year. As a result, total revenues in December continue to fall short of management's expectations and have not compensated for the shortfall in revenues experienced in November.

The Company continues to proactively manage its cost base and identify opportunities to improve performance and profits. However, ongoing improvements being made in these areas will be offset by the recent proposed changes to the National Living Wage and Employer's National Insurance arrangements, resulting in circa £1.7 million per annum of additional costs from April 2025.

**Cash position**

The Group has £4.0 million of bank facilities which are scheduled to expire on 30 June 2025. There are no financial covenants applicable to these facilities which are repayable on demand.

As at 26 December 2024, the Group had net borrowings of £3.5 million and total liquidity headroom of £ 0.5 million.

Subject to trading in the post-Christmas trading period the it is anticipated that the Group's existing bank facilities will be fully utilised in early 2025. The Group are currently considering additional funding options which may be available.

The Company previously announced, on 29 August 2024, that Tarak Ramzan, the Group's founder, and largest shareholder, proposed to provide the Company with a £1.0 million secured loan facility to provide additional liquidity headroom for working capital purposes. The agreement in relation to the loan remains outstanding and is awaiting approval from the provider of the Company's banking facilities, (who are required to approve any subsequent security over the assets of the Group).

**Proposed de-listing**

As announced by the Company on 20 December 2024, post the Period end, the Directors have, after an extensive review, concluded that it is in the best interests of the Company and its Shareholders to seek Shareholder approval for the voluntary cancellation of admission of the Ordinary Shares to trading on AIM and for the Company to be re-registered as a private limited company. In accordance with Rule 41 of the AIM Rules, the Company has notified the London Stock Exchange of the date of the proposed Cancellation.

The Company's Ordinary Shares have been admitted to trading on AIM since its initial public offering ("IPO") in July 2017 with the Group's revenue growing from £89.8 million at the time of IPO to £130.8 million in 2019. Following the very significant impact of Covid-19 on the Group's revenue from 2020 and subsequent restructuring of the Group's store portfolio revenues partially

of COVID-19 on the Group's revenue from 2020 and subsequent restructuring of the Group's store portfolio revenues partially recovered and grew to £91.7 million in the year ended 31 March 2023. Subsequently customer demand was impacted by the widely reported cost of living and inflationary pressures with revenue declining to £82.0 million during the 2024 financial year, with the Group generating a loss in comparison to a profit in the prior period. Given the ongoing decline in customer demand, revenue in the year ended 31 March 2025 is expected to be below 2024 revenue.

As a consequence of the challenging trading environment and impact on Group revenue, on 5 December 2023, the Company initiated a review of strategic options (the "Strategic Review") available to the Company to maximise shareholder value. The Strategic Review considered a range of factors, including but not limited to, a refreshed business plan, management team and leadership and funding requirements and availability. On 28 March 2024, the Company announced an update as part of the Strategic Review, Tarak Ramzan, CEO and founder of Quiz stepped down as CEO to become a Non-Executive Director and Sheraz Ramzan, previously Chief Commercial Officer was appointed as CEO to implement a turnaround strategy, with the aim of recalibrating the business back into profitable growth. In 2024, the Group implemented a number of strategic initiatives such as restructuring the Buying and Merchandising function and a refreshed marketing brand and social media activity.

Despite the steps taken, since announcing the Strategic Review, the Group has continued to experience a decline in customer traffic both online and in store compared to the same period in the prior year, with a notable decline in traffic and footfall in November, which is a key period for retailers. The Board expects that trading will continue to prove challenging for the sector throughout the 2025 calendar year with continuing macro-economic headwinds from the continuation of the cost of living crisis, the ongoing impact of high business rates, above inflation increases to other costs, low consumer confidence and the impact of the increase to the National Living Wage and Employer's National Insurance arrangements.

Although demand in December has shown signs of improvement with online revenues broadly consistent with the prior year on a like-for-like basis, sales in store continue to trend behind those achieved last year. Total revenue to date continues to fall short of management's expectations and has not compensated for the shortfall in revenue experienced in November.

Given the decline in revenue and the requirement to improve the liquidity of the business the Board is reviewing the Group's options and has engaged advisors to consider appropriate options, in particular as to the Group's structure and cost base. The Board is focused on ensuring the Group has sufficient working capital to take the Group through to growth (albeit this cannot be guaranteed). In particular, the Board considers that operating as a private limited company will eliminate the considerable costs associated with maintaining the admission and could provide the flexibility necessary to implement these changes effectively as the Company can focus on the long-term transformation of the business without the immediate pressures and scrutiny of public markets.

For the reasons set out in more detail in the Company's announcement on 20 December 2024 the Directors are of the view that the continued admission of the Ordinary Shares to trading on AIM is unlikely to provide the Company with the optimal platform to access further significant capital in the future. As a result of this review, and following careful consideration, the Board considers the disadvantages associated with maintaining the admission of the Ordinary Shares to trading to be disproportionately high when compared to the perceived benefits of being listed on AIM.

The current non-executive directors of the Company propose to resign upon Delisting and Gerry Sweeney, Chief Financial Officer and Company Secretary, intends to step down from his position but will remain with the Company until 31 March 2025 to ensure a steady transition of responsibilities to his successor, as stated in a Company announcement on 11 October 2024.

**QUIZ plc**  
**Unaudited consolidated statement of comprehensive income**  
**For the six months ended 30 September 2024**

	Notes	Unaudited six months ended 30 September 2024 £'000	Unaudited six months ended 30 September 2023 £'000	Audited year ended 31 March 2024 £'000
<b>Continuing operations</b>				
Revenue	3	39,143	42,295	81,957
Cost of sales		(14,734)	(16,148)	(30,976)
<b>Gross profit</b>		24,409	26,147	50,981
Recurring administrative costs	4	(22,187)	(21,925)	(44,218)
Non-recurring administrative costs		(605)	-	(1,512)
Total administrative costs		(22,792)	(21,925)	(45,730)
Distribution costs		(5,836)	(5,521)	(11,422)
Other operating income		-	9	212
Total operating costs		(28,628)	(27,437)	(56,940)
<b>Operating loss</b>	5	(4,219)	(1,290)	(5,959)
Finance income		-	79	79
Finance costs		(499)	(282)	(830)
<b>Loss before income tax</b>		(4,718)	(1,493)	(6,710)
Income tax (charge)/credit	6	(1,103)	300	435
<b>Loss for the period</b>		(5,821)	(1,193)	(6,275)
<b>Other comprehensive expense</b>				
Foreign currency translation differences - foreign operations		(95)	(27)	(72)
<b>Loss and total comprehensive expense for the period</b>		(5,916)	(1,220)	(6,347)
Loss per share	8	(4.69)p	(0.96)p	(5.05)p

All of the above (expense)/income is attributable to the shareholders of the Parent Company.

**QUIZ PLC**  
**Unaudited consolidated statement of financial position**  
**As at 30 September 2024**

Notes	Unaudited as at 30 September 2024 £000	Unaudited as at 30 September 2023 £000	Audited as at 31 March 2024 £000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9 5,306	6,832	5,912
Right-of-use assets	10 8,542	6,790	8,417
Intangible assets	11 2,235	2,801	2,486
Deferred tax assets	-	1,041	1,103
<b>Total non-current assets</b>	<b>16,083</b>	<b>17,464</b>	<b>17,918</b>
<b>Current assets</b>			
Inventories		10,231	11,259
Trade and other receivables	12 8,109	7,253	9,950
Cash and cash equivalents	14 103	3,850	284
<b>Total current assets</b>	<b>18,443</b>	<b>22,437</b>	<b>21,493</b>
<b>Total assets</b>	<b>34,526</b>	<b>39,901</b>	<b>39,411</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	13 (11,981)	(12,435)	(12,563)
Loans and borrowings	15 (3,117)	(258)	(2,327)
Lease liabilities	(3,938)	(2,384)	(3,732)
Derivative financial liabilities	(22)	(43)	(36)
Corporation tax payable		(95)	-
<b>Total current liabilities</b>	<b>(19,058)</b>	<b>(15,215)</b>	<b>(18,658)</b>
<b>Non-current liabilities</b>			
Lease liabilities	(6,745)	(4,951)	(6,129)
<b>Total non-current liabilities</b>	<b>(6,745)</b>	<b>(4,951)</b>	<b>(6,129)</b>
<b>Total liabilities</b>	<b>(25,803)</b>	<b>(20,166)</b>	<b>(24,787)</b>
<b>Net assets</b>	<b>8,723</b>	<b>19,735</b>	<b>14,624</b>
<b>Equity</b>			
Called up share capital		373	373
Share premium	10,315	10,315	10,315
Merger reserve	1,130	1,130	1,130
Retained (loss)/earnings	(3,095)	7,917	2,806
<b>Total equity</b>	<b>8,723</b>	<b>19,735</b>	<b>14,624</b>

**QUIZ PLC**  
**Unaudited consolidated statement of changes in equity**  
**For the six months ended 30 September 2024**

	Unaudited as at 30 September 2024 £000	Unaudited as at 30 September 2023 £000	Audited as at 31 March 2024 £000
<b>Share capital</b>			
Balance at beginning and end of period			
	373	373	373
<b>Share premium</b>			
Balance at beginning and end of period			
	10,315	10,315	10,315
<b>Merger reserve</b>			
Balance at beginning and end of the period			
	1,130	1,130	1,130
<b>Retained (loss)/earnings</b>			
Balance at beginning of period			
	2,806	9,115	9,115
Total comprehensive expense			
	(5,916)	(1,220)	(6,347)
Share based payments			
	15	22	38
Balance at end of period			
	(3,095)	7,917	2,806
<b>Total equity at beginning of period</b>	<b>14,624</b>	<b>20,933</b>	<b>20,933</b>
<b>Total equity at end of period</b>	<b>8,723</b>	<b>19,735</b>	<b>14,624</b>

**QUIZ PLC**  
**Unaudited consolidated statement of changes of cash flows**  
**For the six months ended 30 September 2024**

	Unaudited six months ended 30 September 2024 £000	Unaudited six months ended 30 September 2023 £000	Audited year ended 31 March 2024 £000
<b>Cash flows from operating activities</b>			
Cash generated by operations			
Loss for the period	(5,821)	(1,193)	(6,275)
Adjusted for:			
Depreciation of property, plant and equipment	1,042	845	1,837
Depreciation of right-of-use asset	1,711	1,282	2,872
Amortisation of intangible assets	334	293	602
Impairment of property, plant and equipment	249	-	935
Impairment of right-of-use asset	303	-	400

Impairment of intangible assets	53	-	177
Share based payment charges	15	22	38
Exchange movement	(100)	(31)	(68)
Finance income	-	(79)	(79)
Finance cost expense	499	282	830
Income tax charge/(credit)	1,103	(300)	(435)
Decrease in inventories	1,028	988	1,063
Decrease/(increase) in receivables	1,841	176	(2,537)
Decrease in payables	(582)	(189)	(69)
Net cash from operating activities	1,675	2,096	(709)
Interest paid	(102)	(34)	(129)
Income taxes paid	(3)	-	(12)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>1,570</b>	<b>2,062</b>	<b>(850)</b>
<b>Cash flow from investing activities</b>			
Payments to acquire intangible assets	(136)	(391)	(562)
Payments to acquire property, plant and equipment	(685)	(2,989)	(3,996)
Interest received	-	79	79
<b>Net cash outflow from investing activities</b>	<b>(821)</b>	<b>(3,301)</b>	<b>(4,479)</b>
<b>Cash flows from financing activities</b>			
Borrowings drawn/(repaid)	124	(1,152)	336
Payment of lease liabilities	(1,712)	(1,338)	(2,874)
<b>Net cash outflow from financing activities</b>	<b>(1,588)</b>	<b>(2,490)</b>	<b>(2,538)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(839)</b>	<b>(3,729)</b>	<b>(7,867)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>(297)</b>	<b>7,575</b>	<b>7,575</b>
Effect of foreign exchange rates	(8)	4	(5)
<b>Cash and cash equivalents at end of period</b>	<b>14</b>	<b>(1,144)</b>	<b>3,850</b>
			<b>(297)</b>

The Group considers bank overdrafts to be an integral part of its cash management activities and these are included in cash and cash equivalents for the purposes of the cash flow statement.

## Basis of Preparation

### 1.1 General Information

QUIZ plc is a public limited company incorporated and registered in Jersey and listed on the Alternative Investment Market (AIM) of the London Stock Exchange. Its registered office is: 22 Grenville Street, St Helier, Jersey, Channel Islands, JE4 8PX.

### 1.2 Basis of Preparation

These interim financial statements for the six months to 30 September 2024 have been prepared in accordance with "IAS 34 Interim Financial Reporting." They are unaudited and do not include all of the information required for full annual financial statements and do not constitute statutory accounts within the meaning of Companies (Jersey) Law 1991.

The comparative figures for the year ended 31 March 2024 are not the Group's statutory accounts for that financial year. The interim financial statements should be read in conjunction with the Group's Annual Report and Accounts for the year ended 31 March 2024, which were prepared and approved by the directors in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and the Companies (Jersey) Law 1991. The auditors reported on those accounts: their report was unqualified, included a material uncertainty related to going concern and did not include reference to any matters on which the auditor was required to report by exception under Companies (Jersey) Law 1991. The Annual Report and Financial Statements for the year ended 31 March 2024 has been filed with the Jersey Companies Registry and are available on [www.quizgroup.co.uk](http://www.quizgroup.co.uk)

The auditors' report drew the reader's attention to the macro-economic factors outside the Group's control, primarily in respect of the recent cost of living pressures facing consumers, which could continue to have, a material impact on the Group's trading performance for the foreseeable future. The uncertainty this created in the Group's ability to accurately forecast trading cash flows and continue to trade within their current facilities indicated that a material uncertainty existed that may cast significant doubt on the Group's ability to continue as a going concern. The auditors opinion was not modified in respect of this matter and did not include reference to any matters on which auditors were required to report by exception under Companies (Jersey) Law 1991.

The Group's business activities together with the factors that are likely to affect its future developments, performance and position are set out in the Business and Financial Reviews of its Annual Report and Financial Statements for the year ended 31 March 2024. The Financial Review describes the Group's financial position, cash flows and bank facilities. The interim financial statements are unaudited and were approved by the board of directors on 26 December 2024.

The interim financial statements have been prepared by the directors of the Company (the "Directors") under the historical cost basis, except for certain financial instruments which are carried at fair value.

### 1.3 Accounting Standards

The accounting policies applied in these interim financial statements are the same as those set out in the Group's Annual Report and Financial Statements for the year ended 31 March 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not effective.

There are several standards and interpretations issued by the IASB that are effective for financial statements after this reporting period. Of these new standards, amendments and interpretations, there are none which are expected to have a material impact on the Group's consolidated financial statements.

#### 1.4 Use of Estimates and Judgements

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised where the revision affects only that year, or in the year of the revision and future years where the revision affects both current and future years.

Information about such estimations and judgements are contained in individual accounting policies. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

##### *Impairment of property, plant and equipment, right-of-use assets and intangible assets*

Property, plant and equipment, right-of-use assets and intangible assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

Management performs an impairment review for each cash generating unit ("CGU") that has indicators of impairment. When a review for impairment is conducted, the recoverable amount of an asset or CGU is determined based on value-in-use calculations using the Board approved budget and future outlook and is discounted using the weighted average cost of capital. Forecasts beyond the period of the approved budget are based on management's assumptions and estimates.

Future events could cause the forecasts and assumptions used in impairment reviews to change with a consequential adverse impact on the results and net position of the Group as actual cash flows may differ from forecasts and could result in further material impairments in future years.

The Directors consider each revenue channel/steam to be a CGU; being stores, concessions, online and international. In determining the anticipated contribution from stores each individual store is considered to be a separate CGU. In the current year we have performed an impairment review for each CGU.

For the period ended 30 September 2024, an impairment charge of £0.6 million was recognised in light of the reduced profitability of the Group in the period and lower expectations in the relevant forecasts for each CGU compared to those used in the prior year impairment review (Six months ended 30 September 2023: £nil, Year ended 31 March 2024: £1.5m).

##### *Impairment of store CGU assets*

Management has assessed whether impaired and unprofitable stores require an impairment charge with regard to their right-of-use and property, plant and equipment assets. This is recognised when the Group believes that the unavoidable costs of meeting or exiting the lease obligations exceed the benefits expected to be received under the lease.

The charge in the period based on anticipated future cash flows from stores amounted to £332,000. Of the charge £87,000 of the charge is attributable to property, plant and equipment and £245,000 to right-of-use assets. The charge was split between seven individual store CGUs.

The recoverable amount is based on the value in use. Value in use is calculated from expected future cash flows using suitable discount rates being 14.6% (30 September 2023: 10%, 31 March 2024: 14.6%) and includes management assumptions and estimates of future performance. Store asset carrying values are considered net of the carrying value of any cash contribution received in relation to that store. The cash flows are modelled for each store through to the lease expiry date. Cash flows beyond the two-year board approved forecasts are extrapolated at a 0% growth rate. No lease extensions have been assumed in the modelling. Stores which have been opened for less than 18 months are excluded from the assessment.

##### *Impairment of corporate/central assets*

Further to the assessment of each CGU there was an impairment charge of £273,000; £53,000 in relation to intangible assets, £162,000 property, plant and equipment and £58,000 right-of-use assets held at Group level which support the cash generating units operations.

The recoverable amount is based on the value in use. Value in use is calculated from expected future cash flows using suitable discount rates being 14.6% (30 September 2023: 10%, 31 March 2024: 14.6%) and includes management assumptions and estimates of future performance. The cash flows are modelled for each cash generating unit using two years of board approved forecasts, extrapolated at a 0-2% growth rate for years three to five, and a terminal growth rate of 2%. Corporate/central costs and assets are allocated to CGUs based on either revenue generated or the proportion of costs directly attributable to the CGU.

##### *Sensitivities*

Management has performed sensitivity analysis on the key assumptions in the impairment model using reasonably possible changes in these key assumptions. A reduction in sales of 5% from that assumed and a 5% increase in the discount rate used would increase the impairment charge by £0.4 million and £0.1 million respectively. This is the total increase across both stages of the impairment review.

##### *Inventory provision*

Provision is made for those items of inventory where the net realisable value is estimated to be lower than cost. Net realisable value is based on both historical experience and assumptions regarding future selling prices and is consequently a source of estimation uncertainty.

In the current period, management performed an assessment of all inventory, taking into consideration current sales and forecast sell-through plans to consider the impact on the period-end stock holding. The provision for aged inventory is calculated by providing for 25% of inventory that is more than three seasons old and providing for 88% of inventory that is more than three years old. Given the potential for demand to be impacted going forward the Group has provided up to 5% of the remaining inventory. Given this approach the provision for aged inventory

totalled £1,350,000 at 30 September 2024 (31 March 2024: £1,481,000, 30 September 2023: £1,644,000).

### 1.5 Going concern

The financial statements continue to be prepared on the going concern basis consistent with the Group financial statements for the year ended 31 March 2024 signed on 28 August 2024 are subject to a material uncertainty linked to cash headroom above facility limits.

The Group has £4.0 million of banking facilities, which expire on 30 June 2025. These facilities comprise a £2.0 million overdraft and £2.0 million working capital facility. There are no financial covenants associated with these facilities, which are reviewed annually and are repayable on demand. The trading forecasts assume that these facilities will be available to the Group through to 30 June 2025 and will be renewed in due course.

As at 26 December 2024, the Group had net debt of £3.5 million and available liquidity headroom of £0.5 million, which related to unutilised banking facilities.

As noted in the financial statements for the year ended 31 March 2024, the anticipated facilities for the year included the provision of a £1.0 million loan facility to provide additional liquidity headroom for working capital purposes which had been offered from, Tarak Ramzan, the Company's founder and largest shareholder. The agreement in relation to this loan remains outstanding and is subject to approval from the provider of the Company's banking facilities.

Further to the lower than planned level of revenues in the year to date it is anticipated that the Group's existing bank facilities will be fully utilised in early 2025 and as a result the Board anticipates that additional funding will be required by the Group. The Group are currently considering additional funding options which may be available.

In addition to the requirement for additional funding, the Group needs to reduce its existing cost base substantially to allow it to return to profitability which is likely to involve the cessation of certain parts of the business.

Given the continued challenges in the macro environment coupled with the requirement for additional funding, the Directors note that until and unless key mitigations can be actioned with certainty, there exists a material uncertainty related to Going Concern. This casts significant doubt over the Group's ability to continue as a going concern until said mitigations result in cost savings and additional financing sufficient to increase headroom is available and therefore, the Group may not be able to realise its assets and discharge its liabilities in the normal course of business.

The material uncertainty related to Going Concern arises due to:

- The anticipated requirement of additional funding in the first quarter of 2025 and the uncertainty that it can be secured;
- The continued uncertain macro-economic environment and its impact on trading;
- The requirement to substantially reduce the existing cost base and the uncertainty as to whether the targeted savings or potential restructuring can be realised;
- The availability of committed banking facilities until 30 June 2025, which is less than twelve months from the date when these accounts are authorised to be issued.

The financial statements continue to be prepared on the going concern basis but it is noted that given the material uncertainties noted above there are substantial risks associated with the Group's ability to continue as Going Concern and thereby realise its assets and discharge its liabilities in the normal course of business should these factors not be addressed satisfactorily.

### 2. Principal risks and uncertainties

The board considers the principal risks and uncertainties which could impact the group over the remaining six months of the financial year to 31 March 2025 to be unchanged from those set out on in the Annual Report and Financial Statements for the year ended 31 March 2024 which related to the following matters:

- Brand and Reputational Risk
- Development of Overseas Markets
- Fashion and Design
- Challenging Economic Environment
- Competitor Actions
- Product Sourcing;
- Loss of Key Trading Partner
- Physical Infrastructure
- IT Infrastructure and Cyber Security
- Infrastructure for E-commerce Sales
- People
- Loss of Key Staff
- Regulatory and Legal Framework
- Foreign Exchange

Further information on the nature of these risks, their potential impact and the existing mitigating factors to address them is detailed on pages 14 to 17 of the Annual report and Financial Statements for the year ended 31 March 2024

### 3. Revenue

An analysis of revenue by source and geographical destination is as follows:

	Unaudited six months ended 30 September 2024 £000	Unaudited six months ended 30 September 2023 £000	Audited year ended 31 March 2024 £000
UK stores and concessions	20,260	22,004	41,640
Online	10,665	12,555	24,517
International	8,218	7,736	15,800
	39,143	42,295	81,957
United Kingdom	30,848	33,879	65,729
Rest of the world	8,295	8,416	16,228
	39,143	42,295	81,957

#### 4. Non-recurring administrative costs

Non-recurring administrative costs comprise:

	Unaudited six months ended 30 September 2024 £000	Unaudited six months ended 30 September 2023 £000	Audited year ended 31 March 2024 £000
	2024 £000	2023 £000	2024 £000
Impairment of right-of-use assets	303	-	400
Impairment of intangible assets	53	-	177
Impairment of property, plant and equipment	249	-	935
	605	-	1,512

The Directors consider each revenue channel/stream to be a CGU; being stores, concessions, online and international. In determining the anticipated contribution from stores each individual store is considered to be a separate CGU. In the period ended 30 September 2024 we performed an impairment review for each CGU. Following this review an impairment charge of £0.6 million was recognised in light of the reduced profitability of the Group for the year and lower expectations in the relevant forecasts for each CGU compared to those used in previous impairment reviews (Six months ended 30 September 2023: £nil, Year ended 31 March 2024: £1.5m).

#### 5. Operating loss

Operating loss is stated after charging/ (crediting):

	Unaudited six months ended 30 September 2024 £000	Unaudited six months ended 30 September 2023 £000	Audited year ended 31 March 2024 £000
	2024 £000	2023 £000	2024 £000
Cost of inventories recognised as an expense	14,734	16,148	30,976
Distribution costs	5,836	5,521	11,422
Employment costs	10,697	10,879	21,208
Depreciation	2,753	2,127	4,709
Amortisation	334	293	602
Impairment	605	-	1,512
Short-term lease payments	947	1,048	1,358
Other operating income	-	(9)	(212)
Other expenses	7,456	7,578	16,351
	43,362	43,585	87,926

Employment costs reflect the costs incurred for those employees directly employed by the Group and agency costs.

#### 6. Income Tax (Charge)/Credit

The Group's effective tax rate in respect of continuing operations for the six months ended 30 September 2024 is a charge of 23.4% (six months ended 30 September 2023 - credit of 20.1% and year ended 31 March 2024: credit of 6.7%).

Given the losses incurred in the period and the uncertainty with regards to future trading and the availability of taxable profits, it was considered appropriate to reverse previously recognised deferred tax assets. This gave rise to the tax charge of £1.1 million in the period.

#### 7. Dividends

No dividend was paid in the current or previous periods.

#### 8. Earnings per share

	Unaudited six months ended 30 September 2024	Unaudited six months ended 30 September 2023	Unaudited year ended 31 March 2024
Weighted number of ordinary shares outstanding - basic and diluted	124,230,905	124,230,905	124,230,905
Loss (£000)	(5,821)	(1,193)	(6,275)
Loss per share (pence)	(4.69)	(0.96)	(5.05)

Diluted earnings per share is the same as the basic earnings per share for all period as the average share price during the year was less than the exercise price applicable to the outstanding options and therefore the outstanding options were not dilutive.

#### 9. Property, Plant and Equipment

	Leasehold property £000	Motor vehicles £000	Computer equipment £000	Fixtures, fittings and equipment £000	Total £000
Cost					
At 1 April 2024	909	157	2,161	18,925	22,152

Additions	71	25	59	530	685
At 30 September 2024	980	182	2,220	19,455	22,837
<b>Depreciation</b>					
At 1 April 2024	758	122	1,473	13,887	16,240
Depreciation charge	83	10	139	810	1,042
Impairment charge	-	-	14	235	249
At 30 September 2024	841	132	1,626	14,932	17,531
<b>Net book value</b>					
At 30 September 2024	139	50	594	4,523	5,306
At 31 March 2024	151	35	688	5,038	5,912

Assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable and provision is made where necessary. The method and assumptions used in these calculations, together with the associated sensitivities and reasons for impairment, are set out in the basis of preparation - critical accounting estimates and judgements. Any impairment charge/ (reversal) is charged to administrative costs in the consolidated statement of comprehensive income.

#### 10. Right-of-Use Assets

	<b>Property</b> £000
<b>Cost</b>	
At 1 April 2024	13,511
Additions	2,139
At 30 September 2024	<u>15,650</u>
<b>Depreciation</b>	
At 1 April 2024	5,094
Depreciation charge	1,711
Impairment charge	303
At 30 September 2024	<u>7,108</u>
<b>Net book value</b>	
At 30 September 2024	<u>8,542</u>
At 31 March 2024	<u>8,417</u>

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

	<b>£000</b>
<b>Cost</b>	
At 1 April 2024	9,861
New leases entered into	2,139
Interest expense related to lease liabilities	395
Repayment of lease liabilities (including interest)	(1,712)
At 30 September 2024	<u>10,683</u>
Current lease liabilities	3,938
Non-current lease liabilities	<u>6,745</u>

#### 11. Intangibles

	Goodwill £000	Computer software £000	Trademarks £000	Total £000
<b>Cost</b>				
At 1 April 2024	6,175	4,899	165	11,239
Additions	-	136	-	136
At 30 September 2024	<u>6,175</u>	<u>5,035</u>	<u>165</u>	<u>11,375</u>
<b>Depreciation</b>				
At 1 April 2024	5,248	3,395	110	8,753
Amortisation charge	-	319	15	334
Impairment charge	-	53	-	53
At 30 September 2024	<u>5,248</u>	<u>3,767</u>	<u>125</u>	<u>9,140</u>
<b>Net book value</b>				
At 30 September 2024	<u>927</u>	<u>1,268</u>	<u>40</u>	<u>2,235</u>
At 31 March 2024	<u>927</u>	<u>1,504</u>	<u>55</u>	<u>2,486</u>

#### 12. Trade and other receivables

	Unaudited as at 30 September 2024 £000	Unaudited as at 30 September 2023 £000	Audited as at 31 March 2024 £000
Trade receivables - gross	3,273	3,144	3,372
Allowance for doubtful debts	(387)	(283)	(417)
Trade receivables - net	<u>2,886</u>	<u>2,861</u>	<u>2,955</u>
Other receivables	1,184	533	1,782
Prepayments and accrued income	4,039	3,859	5,213
	<u>8,109</u>	<u>7,253</u>	<u>9,950</u>

**13. Trade and other payables**

	Unaudited as at 30 September 2024 £000	Unaudited as at 30 September 2023 £000	Audited as at 31 March 2024 £000
Trade payables	8,653	8,442	9,513
Other taxes and social security costs	1,552	377	710
Accruals	824	2,418	1,042
Other payables	952	1,198	1,298
	<b>11,981</b>	<b>12,435</b>	<b>12,563</b>

**14. Cash and cash equivalents**

	Unaudited as at 30 September 2024 £000	Unaudited as at 30 September 2023 £000	Audited as at 31 March 2024 £000
Cash at bank and in hand	103	3,850	284
Bank overdraft	(1,247)	-	(581)
	<b>(1,144)</b>	<b>3,850</b>	<b>(297)</b>

**15. Borrowings**

	Unaudited as at 30 September 2024 £000	Unaudited as at 30 September 2023 £000	Audited as at 31 March 2024 £000
Bank loans	1,870	258	1,746
Bank overdraft	1,247	-	581
	<b>3,117</b>	<b>258</b>	<b>2,327</b>

**16. Financial Instruments**

The following table shows the carrying amounts and fair values of financial assets and liabilities. All financial liabilities are measured at amortised cost.

	Unaudited as at 30 September 2024 £000	Unaudited as at 30 September 2023 £000	Audited as at 31 March 2024 £000
Carrying value of financial assets:			
Cash and cash equivalents	103	3,850	284
Trade and other receivables	4,070	3,394	3,486
<b>Total financial assets</b>	<b>4,173</b>	<b>7,244</b>	<b>3,770</b>
Carrying value of financial liabilities:			
Trade and other payables	(10,429)	(12,058)	(11,853)
Bank and other borrowings	(3,117)	(258)	(2,327)
Derivative financial instruments	(22)	(43)	(36)
Lease liabilities	(10,683)	(7,334)	(9,861)
<b>Total financial liabilities</b>	<b>(24,251)</b>	<b>(19,693)</b>	<b>(24,077)</b>

The cash and cash equivalents are held with bank and financial institution counterparties, which are rated P-1 and A-1, based on Moody's ratings.

**17. Related party transactions**

The Group considers its Executive and Non-Executive Directors as key management and therefore has a related party relationship with them.

Two Directors, Tarak Ramzan and his son Sheraz Ramzan, and their relatives control 48.7% of the voting shares of the Company (2023: 48.7%).

The Group transacts with companies in which Tarak and Sheraz Ramzan have an interest. The amounts of the transactions and balances due to and from the related parties during the year and at the year-end are:

	Unaudited as at 30 September 2024 £000	Unaudited as at 30 September 2023 £000	Audited as at 31 March 2024 £000
Purchases from:			
Big Blue Concepts Limited	187	187	375
Tarak Manufacturing Company Limited	131	131	263
Ocean 9 Limited	15	15	30
Balance owed to:			
Big Blue Concepts Limited	-	-	-

The charges from Big Blue Concepts Limited and Tarak Manufacturing Limited solely relate to the rental of the Group's distribution centre and head office respectively. These leases were entered into further to the Independent Non-Executive Directors of the Company having received independent legal advice and independent commercial real estate advice and being satisfied that they reflect arm's length legal and commercial terms.

The charges from Ocean 9 Limited relate to consultancy fees payable to the spouse of one of Tarak Ramzan's children for the provision of property advice.

#### **18. Contingent Liability**

As previously announced, the Company received a claim letter in July 2024 from a supplier of IT software in relation to a contract for services entered into February 2020. Further to the provision of initial advice from Kings Counsel, the Group does not consider that any monies are due under this contract and as such does not accept any liability in respect of this matter. The potential claim amounts to £673,000 plus VAT with the potential for interest of £573,000 to be sought on this amount.

#### **19. Post Balance Sheet Events**

On 20 December 2024, the Directors concluded that it is in the best interests of the Company and its Shareholders to seek Shareholder approval for the voluntary cancellation of admission of the Ordinary Shares to trading on AIM and for the Company to be re-registered as a private limited company. In accordance with Rule 41 of the AIM Rules, the Company has notified the London Stock Exchange of the date of the proposed Cancellation.

The Company is seeking Shareholder approval for the Cancellation and Re-registration at the General Meeting, which has been convened for 8 January 2025.

If the Cancellation Resolution is passed at the General Meeting, it is anticipated that the Cancellation will become effective at 7.00 a.m. on 23 January 2025. The Cancellation Resolution is conditional, pursuant to Rule 41 of the AIM Rules, upon the approval of Shareholders holding not less than 75 per cent of the votes cast by Shareholders (whether present in person or by proxy) at the General Meeting, notice of which is set out at the end of this Document.

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