

A woman with dark hair, wearing a blue dress with a white floral pattern and a gold chain belt, is posing against a light-colored, textured wall. Her arms are raised, and her hands are clasped above her head. She is looking upwards with a serene expression. Large, white, stylized letters spelling 'QUIZ' are overlaid on the image, with the 'Q' and 'U' on the left and 'I' and 'Z' on the right.

QUIZ

QUIZ PLC

ANNUAL REPORT AND
FINANCIAL STATEMENTS 2022

2022 highlights

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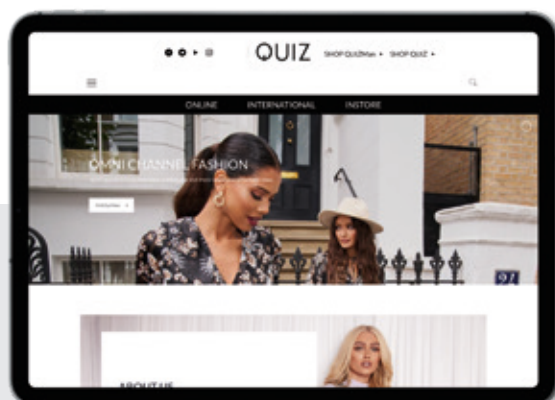
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OPERATIONAL HIGHLIGHTS:

- Strong online growth with a 66% increase in sales through QUIZ's own website
- Active customers increase 74% on the prior financial year in line with demand for QUIZ's core occasion wear offering
- The benefit of store restructuring undertaken in the previous year reflected in positive contribution from stores
- Recovery in International revenues with a 96% increase year-on-year
- QUIZ's store estate comprised 62 stores in the United Kingdom and five in the Republic of Ireland at the end of the year (2021: 61 in the UK and 4 in the ROI), with one additional store opening in the Republic of Ireland subsequently

POST-YEAR END AND OUTLOOK

- Revenues in the three months to 30 June 2022 up 62% on the prior year and consistent with the levels generated prior to the COVID-19 disruption on like-for-like basis
- Potential for sales later in the year to be impacted by the effect of the inflationary environment and increases in the cost of living on consumer confidence
- Total liquidity headroom at 4 July 2022 of £11.8 million, being a cash balance of £8.3 million and £3.5 million of undrawn banking facilities, a £5.3 million increase since 31 March 2022
- Launched our first sustainable product range to help further our practices in environmentally responsible production
- The Board remains confident the Group can deliver long-term sustainable and profitable growth despite the current challenging trading backdrop



Stay up to date

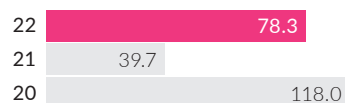
WWW QUIZGROUP.CO.UK

Financial highlights

- Group revenue increased 97% year-on-year further to the removal of social restrictions increasing demand for our product offering and a reduction in the amount of time stores and concessions were closed
- Higher levels of full price sales resulted in gross margin increased to 60.3%, consistent with the gross margin generated in the year prior to the pandemic, from 53.4%
- The rise in operating costs, being distribution and administrative costs, was restricted to 22% as the increased revenues leveraged off the existing infrastructure
- Underlying and reported EBITDA of £5.1 million (2021: underlying loss of £4.9 million, reported profit of £10.7 million)
- Underlying and reported profit before tax of £0.8 million (2021: underlying loss of £9.6 million, reported profit of £6.0 million)
- Income tax credit of £1.3 million (2021: £0.2 million) arising from the recognition of the future cash benefit of the utilisation of previously incurred tax losses and fixed asset timing differences
- Operating cash inflows of £5.3 million (2021: outflow of £2.5 million)
- Total liquidity headroom at 31 March 2022 of £6.5 million, being cash net of borrowings of £4.4 million and £2.1 million of unutilised bank facilities (31 March 2021: £2.4 million, being cash net of borrowings of £1.5 million and £0.9 million of unutilised bank facilities)

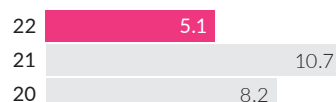
GROUP REVENUE

£78.3m



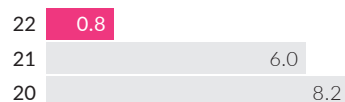
EBITDA

£5.1m



PROFIT BEFORE TAX

£0.8m



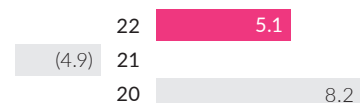
CAPITAL EXPENDITURE

£0.5m



UNDERLYING EBITDA

£5.1m



UNDERLYING PROFIT/(LOSS) BEFORE TAX

£0.8m



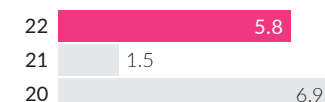
UNDERLYING BASIC EPS

0.87p



NET CASH AT YEAR END

£5.8m



Note: The basis of preparation of the financial statements for the current and previous year, including and explanation of the underlying measures, is set out in the Financial and Business Review on page 14.

AT A GLANCE

Omni-channel Fashion

QUIZ is an omni-channel fashion brand, specialising in occasion wear and dressy casual wear. QUIZ delivers a distinct proposition that empowers its fashion-forward customers to stand out from the crowd. QUIZ operates through an omni-channel business model, which encompasses online sales, standalone stores, concessions, international franchises and wholesale arrangements.

CORE STRENGTHS

BRAND

We have an established and distinctive brand proposition enabling QUIZ to expand across product categories and distribution channels.

SUPPLY CHAIN

Our infrastructure and supply chain, which allow us to source clothes in a responsible and ethical manner, are proven.

EXPANDING ONLINE CUSTOMER NUMBERS

Sales growth through QUIZ's online channels remains a key priority with key drivers being: increased awareness of our brand driven by effective marketing; the strength of our products and collections; increased online traffic; and increasing the number of active customers.

INTERNATIONAL POTENTIAL

QUIZ continues to see positive reactions to the brand across international markets. QUIZ's mix of casual and occasion wear can be tailored for each market and the Group's flexible approach to its route to market remains beneficial.

OUR BRAND

QUIZ's buying and design teams constantly develop their own product lines, ensuring the latest glamorous looks at value prices. This flexible supply chain, together with the winning formula of style, quality, value and speed to market has enabled QUIZ to grow rapidly into an international brand with standalone stores, concessions, franchise stores, wholesale partners and international online partners in 20 countries.

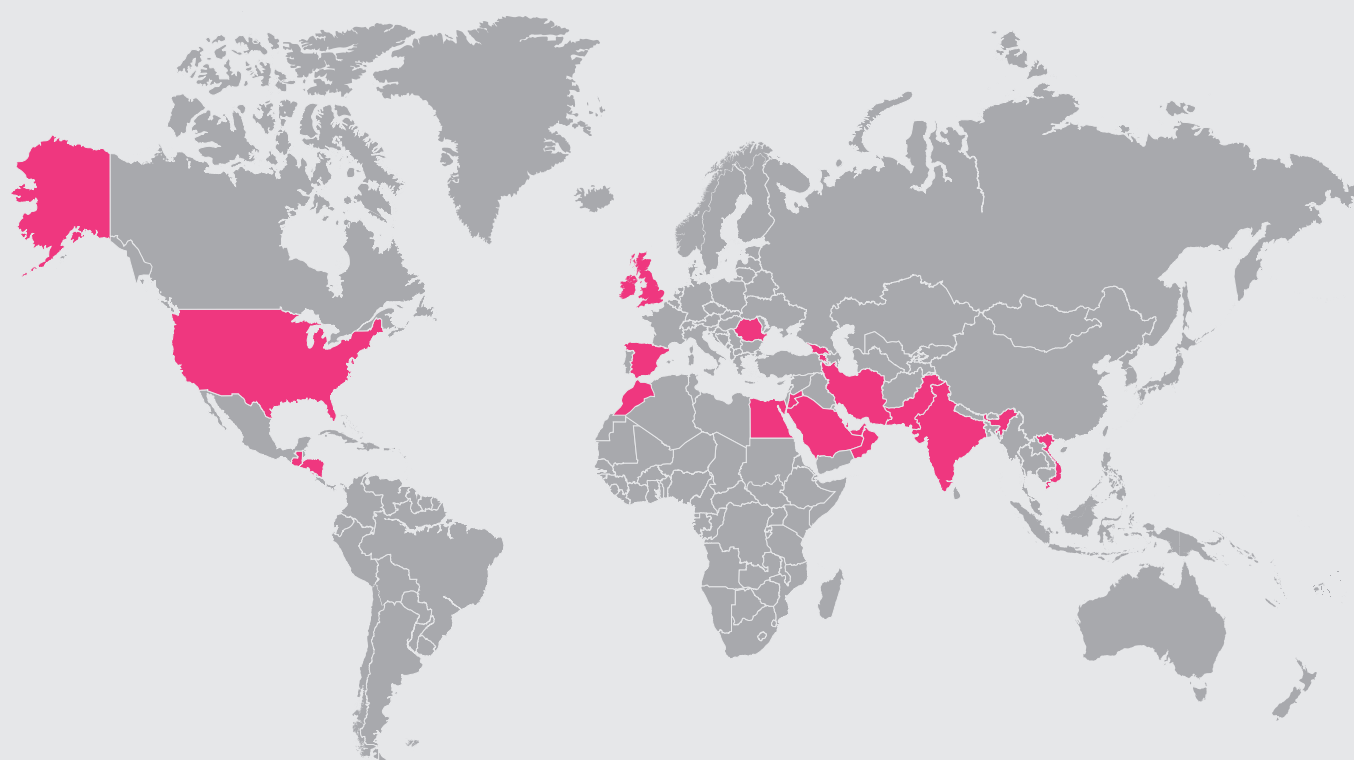
- We were founded in 1993 and employ more than 900 people
- We have a very broad customer demographic; our core customers are 16 to 35-year-old fashion-forward females
- We are a destination brand for fashion-conscious women looking to dress for some of the most memorable occasions of their lives
- Our supply chain means we can respond quickly to changing styles and trends
- We market the QUIZ brand creatively and continue to increase our social media following as a result
- We have seen the brand establish itself in different markets with the core QUIZ offering being complemented by country-specific products where appropriate



→ Read more on page 10

OUR EXISTING GLOBAL PRESENCE

Our flexible business model allows us to adopt the most appropriate approach in each market.



As at 31 March 2022:

UK

- 62 standalone stores
- 69 concessions
- Own website
- 3 online partners

EUROPE

- 5 standalone stores in Ireland
- 18 concessions in Ireland

AMEA

- 82 points of sale through franchise stores and wholesale partners
- Operate in 19 countries

USA

- Wholesale to department stores



Read more on **page 13**

OUR CUSTOMERS

QUIZ is increasingly recognised by a broad customer demographic as an international fashion brand that empowers fashion-forward women looking for the latest styles, footwear and accessories to help them elevate every occasion and stand out from the crowd.

Understanding our customers, their lifestyles and their product needs remains a core element of our business. Our clear customer strategy – coupled with our customer-first approach to everything we do – continues to help significantly increase awareness of the brand.

The QUIZ brand continues to have strong customer appeal. This is evident in our increasing number of active customers as well as social media engagement. We are highly responsive to what customers want, and our flexible omni-channel business model enables us to quickly respond to new trends. Our customers know that with QUIZ they can shop a wide selection of exclusive and quality styles at value-for-money prices.

Research has shown us that our brand appeals across a broad age range. This customer insight continues to drive our marketing investment, social media content and product design and buying.

→ Read more on **page 13**

FUTURE DEVELOPMENTS

Our longer-term objective remains to secure profitable growth as we expand the QUIZ brand.

- Expansion of current website through new ranges and increased options
- Extend our store network with flexible leases with charges related to revenues generated
- Multi-channel expansion in new market

→ Read more on **page 7**



Delighted with recovery in revenues and return to profitability



PETER COWGILL

INDEPENDENT NON-EXECUTIVE CHAIRMAN

INTRODUCTION

We are pleased to present our financial statements for the year ended 31 March 2022 which show a substantial uplift in revenues further to the removal of COVID-19 related lockdowns and social restrictions. Due to the actions taken by the Group over the last 18 months with regards to restructuring our business and maintaining tight cost control and inventory management, we are happy to report a return to profitability.

I would like to take this opportunity to thank the Group's management team and all colleagues across the business for their commitment and hard work that has contributed to the recovery of the business after such a challenging period.

Our restructured business places greater emphasis on our stores and website with a reduced dependence on less profitable third party revenues. Our own website which has driven the growth in online revenues in the year has traditionally generated a higher contribution than sales generated through third parties. In addition, our offline sales are more focused on our own stores rather than concessions, which have reduced in number from 119 to 69 in the year. Further to the restructuring of our store portfolio undertaken in the previous year, we are confident that our store estate will continue to generate a positive financial contribution going forward.

Our trademark occasion and dressy wear for social events and activities has always been at the centre of the QUIZ brand. QUIZ has traditionally provided options for a variety of social occasions such as attending lunch with friends, a day at the races, a Christmas party or a wedding. The return of these and other activities in the year has led the notable positive impact on customer demand.

FY2022 PERFORMANCE OVERVIEW

The lifting of social restrictions resulted in sales progressively improving during the year and by the second half of the year they had returned to the levels achieved prior to the disruption caused by COVID-19 on a like-for-like basis. This resulted in a 97% increase in the Group's revenues during the year to 31 March 2022 to £78.4 million (2021: £39.7 million).

The increase in revenues in part reflected the Group's stores and concessions not being closed for the same sustained periods as the previous year. In addition, the return of social events drove an increased consumer demand for the occasion wear and dressy wear which are at the centre of the QUIZ brand.

As demand increased and revenues improved, so did the proportion of full price sales. This is reflected in the 690bps improvement in the gross margin generated compared to the same period in the previous year.

Management retained close control on operating costs with the increase being restricted to 22% in the year, despite the significant increase in sales. In addition, the business is benefited from the restructuring of the Group's store estate in the previous year which lowered the rental costs payable. The existing lease arrangements provide increased flexibility with charges predominantly linked to revenues generated. Whilst our stores currently have an average lease term of 15 months, given the positive contribution being generated we are looking to secure longer lease arrangements across key sites with a number of lease arrangements already renewed since the year end.

During the year the number of concessions operated by the Group was reduced substantially and there was a planned reduction in revenues generated from third party websites. As a result, the Group's performance benefited from a higher proportion of revenues generated from its own stores and website which have traditionally generated a higher contribution than other revenue streams.

Further to the above, operating profit before financing and taxation of £0.9 million was generated (2021: operating loss of £9.4 million). The reported and underlying EBITDA amounted to £5.1 million (2021: reported – profit of £10.7 million; underlying – loss of £4.9 million). The reported and underlying profit before tax amounted to £0.8 million (2021: reported – profit of £6.0 million; underlying – loss of £9.6 million).

The Financial Review section provides more detail on the Group's financial performance during the year and an explanation as to the basis of preparation of the financial statements for the current and previous year, including an explanation of the underlying measures on page 14.

CASH POSITION

One of the Group's primary objectives during the year was to start to reinstate its cash balance, further to it being reduced when revenues fell in response to pandemic-related disruption. Increasing our cash balance provides greater financial stability and helps ensure that the business can continue to capitalise on increased demand for its product.

We were pleased to generate a cash inflow of £5.3 million from operating activities in the year (2021: outflow of £2.5 million). Further to this, the business has continued to restrict capital spend resulting in the total liquidity headroom improving by £4.1 million. As at 31 March 2022, the Group had £6.5 million of total liquidity headroom, being a cash balance net of bank borrowings of £4.4 million and £2.1 million of undrawn bank facilities (31 March 2021: £2.4 million of total liquidity headroom).

The cash position since the year end has continued to improve with total liquidity headroom on 4 July 2022 of £11.8 million, being a £8.3 million cash balance and £3.5 million of undrawn bank facilities. This represents a £5.3 million increase in total liquidity headroom since 31 March 2022 which reflects the recent positive trading as well as £2.0 million of a favourable net movement in working capital.

The £3.5 million bank facilities available to the Group were recently renewed and will expire on 30 June 2023. There are no financial covenants applicable to these facilities.

This will support the business's initiatives to further diversify the product range and ensure the Group is well positioned to respond to the continued increase in demand for its core occasion wear offering in due course.

OPERATING AN ETHICAL SUPPLY CHAIN

The Board will continue to prioritise ensuring that the Group has an ethical and responsible supply chain that all QUIZ's stakeholders can be proud of. The Group is committed to continuing to invest in this critical area of the business to ensure that the Group's systems remain robust and that the Group's strict Ethical Code of Practice is always adhered to by all QUIZ suppliers.

There is an ongoing programme in place to ensure that all our products are supplied in line with our Ethical Code of Practice. Regular supplier visits continue to be conducted and processes are in place to allow for clear visibility across the Group's supply chain. The Board remains resolutely committed to ensuring the Group's systems, processes and culture are fit for purpose to assure compliance in this area.

DIVIDENDS

Given the level of profits generated in the current year, the Board does not recommend the payment of a final dividend (2021: £Nil).

Going forward the business is focused upon continuing to strengthen its balance sheet and delivering a profitable performance, subject to which the Board would anticipate reinstating dividend payments.

OUTLOOK AND CURRENT TRADING

The Group has experienced strong demand for its product offering since the year end with a particular focus on holiday wear. As a result, revenues generated have been consistent with the period prior to the pandemic on a like-for-like basis.

The Board is pleased that the Group has achieved sales of £27.3 million since the period end, being the three months to 30 June 2022. This was driven by the good performance of our own website and across our store portfolio compared to the equivalent period in the previous year, when demand was starting to recover as social restrictions were relaxed and stores and concessions were subject to a lockdown for part of the period. These sales are consistent with the Board's expectations and represents a £10.5 million or 62.0% increase on the revenues generated in the period from 1 April to 30 June 2021.

Revenues from each of the Group's channels were as follows:

	1 April to 30 June 2022	1 April to 30 June 2021	Year- on-year change
Online	£9.5m	£6.0m	+ 58.2%
UK stores and concessions	£13.0m	£7.2m	+ 79.1%
International	£4.8m	£3.6m	+ 34.2%
Total	£27.3m	£16.8m	+62.0%

These recent sales demonstrate that the QUIZ brand has strong customer appeal despite the potential for the current inflationary environment and increased cost of living to impact consumer spend and confidence. In addition, the business continues to manage the increased cost pressures affecting the wider retail sector such as wage inflation, the reinstatement of business and increases in input costs.

The Group's continued strong growth across all channels illustrates that the Group's omni-channel business model remains critical and key to our long-term success, which will be focused on the development of revenues from our own stores and website.

Despite the well-documented near-term challenges across the retail sector, we are encouraged by the continued increase in demand for the Group's product proposition and the revenue growth generated since the year end and this combined with the Group's return to profitability, means we remain confident in the Group's future success.

PETER COWGILL

NON-EXECUTIVE CHAIRMAN

4 July 2022

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CHIEF EXECUTIVE'S REPORT

Strong recovery from challenging conditions



TARAK RAMZAN

CHIEF EXECUTIVE

INTRODUCTION

QUIZ's FY 2022 financial year reflected a strong recovery from the challenging trading conditions which arose as a result of the COVID-19 pandemic. The absence of prolonged lockdowns and the removal of restrictions on social activities resulted in sales gradually recovering to previous levels on a like-for-like basis.

The past year has illustrated the benefits of QUIZ's omni-channel model which provides customers with the opportunity to engage with the QUIZ brand across different channels. As a result, we have generated revenue growth in each channel during the year as follows:

	FY 2022	FY 2021	Year-on-year change	Share of revenue 2022	Share of revenue 2021
Online	£26.7m	£21.6m	+ 24%	34.1%	54.5%
International	£14.9m	£7.6m	+ 96%	19.0%	19.1%
UK stores and concessions	£36.8m	£10.5m	+ 250%	46.9%	26.4%
Total	£78.4m	£39.7m	+ 97%		

The Group's long-term strategy remains focused on the development of the QUIZ brand through its omni-channel distribution model and to adapt and improve to ensure the brand continues to succeed. The Group continues to have a focus on achieving the further online growth potential available to QUIZ through its own website, which has historically generated a higher contribution than revenues from third party websites, supported by a profitable store and concession portfolio.

We continue to firmly believe that the QUIZ brand has a clear, differentiated position in the market as an occasion wear led brand and continues to resonate with a broad age range of customers. This belief is supported by the increased demand for our products across the year.

OPTIMISING THE OMNI-CHANNEL MODEL IN THE UK

QUIZ's online channel provides the potential for significant long-term growth. The business has benefited from the return to social activities and the corresponding increase in customer demand for occasion wear has increased the profitability of sales, particularly online.

Given the long-term trends towards increased online shopping, we continue to believe that QUIZ's online channel offers significant long-term profitable growth potential for the Group. In FY 2022, given the increase in stores and concession revenues in the year online sales represented 34% of QUIZ's Group revenue (2021: 55%), which is broadly consistent with the share of online revenues prior to the pandemic.

“The Group’s long-term strategy remains focused on the development of the QUIZ brand through its omni-channel distribution model and to adapt and improve to ensure the brand continues to succeed.”

Going forward, the focus will be to ensure the business continues to benefit from offering on trend product for social activities ranging from lunch with friends through to attending weddings. The business continues to benefit from altering its product offering dependent upon the occasion, whether that be attending a race day, going on holiday or preparing for the Christmas party season.

Sales volumes through the QUIZ website have continued to improve since the year end.

The Group has continued to reduce its exposure to UK department stores. In the year ended 31 March 2022 the number of concessions operated reduced from 119 to 69. The decline reflects the closure of concessions that were generating little return or were operating at a loss as well as the impact of the closure of Debenhams and Outfit stores. The majority of the remaining concessions are operated in New Look stores and allow for flexible arrangements for increasing the number of concessions operated given these are not staffed by QUIZ personnel and there is limited capital outlay required. The business will open further concessions selectively depending upon the potential level of sales and financial returns.

The Group believes that stores and concessions with appropriate cost bases can make a positive contribution going forward and is encouraged by the improvement in returns generated from stores across the year. We will continue to undertake initiatives to promote footfall into stores including trialling the introduction of new product categories in store, utilising our store network for online collections and returns, and improving stock availability across the estate. We opened two new stores in the year and closed one. We will continue to open new stores where appropriate flexible lease arrangements can be secured.

SELECTIVE INTERNATIONAL GROWTH POTENTIAL THROUGH CAPITAL LIGHT MODEL

We continue to receive positive customer reactions to the QUIZ brand internationally. Our mix of casual and occasion wear can be tailored for each market and our flexible route to market has been beneficial.

International customers also experienced increased demand further to the cessation of lockdowns and the relaxation of social restrictions. Given this, international revenues continue to represent 19% of Group revenue (2021: 19%). We continue to identify opportunities to extend our sales through low-risk, low-cost international expansion driven by our capital-light online, consignment and concession routes to market.

MANAGING GROSS MARGIN

During the current year, gross margins progressively improved to their previous levels and in the second half of the year were consistent with the levels generated prior to the pandemic. The increased preference for newer full price product experienced during the year and the higher proportion of sales through the higher margin store and concession channel resulted in the gross margin increasing to 60.3% (2021: 53.4%) which is consistent with the gross margin generated in the year prior to the pandemic.

During the year we encountered increased cost pressures in relation to product costs and the costs associated with their shipment. Whilst these additional costs were initially absorbed by the business, we have successfully adjusted prices to maintain our gross margin.

In addition to this cost pressure, the lead times for product being delivered have extended. To date we have successfully adjusted delivery schedules to ensure that product is available when required and avoided any significant disruption to product availability.

LEVERAGING OUR COST BASE

We continue to carefully manage costs and will look to leverage off the Group's existing infrastructure as revenues grow. We were pleased that the increase in operating costs was restricted to 22% which was substantially below the 97% increase in revenues.

The Group continues to benefit from the substantial cost savings in the previous year which arose from the renegotiation of rental arrangements for stores and the reduction of staff numbers at head office and across the business.

As well as various cost saving initiatives the utilisation of the various arrangements to support businesses provided by the UK Government have been beneficial in managing the most significant disruption arising from COVID-19, with the provision of £1.0 million (2021: £8.2 million) of cash support received under the furlough scheme and other payments.

We will continue to review our cost base to ensure it is appropriate for the revenues that will be generated going forward.

CHIEF EXECUTIVE'S REPORT CONTINUED

A STRONG BRAND

QUIZ is a distinctive fashion brand which, over many years, has developed a specialisation in occasion wear and dressy casual wear for women. QUIZ's core business continues to deliver a distinct proposition that empowers fashion-forward females to stand out from the crowd.

We firmly believe that the QUIZ brand has a clear, differentiated position in the market with a specialisation in occasion wear and dressy casual wear for women, and the brand continues to resonate with a broad age range of customers. This belief was supported by the increased demand for our products over the year as restrictions on social events were eased.

The number of online active customers increased during the year, reflecting the recovery in online revenues and the appeal of the QUIZ brand. The number of active customers, increased by 74% to 563,000 (2021: 323,000) which is approaching the levels achieved prior to the pandemic.

During the period, the brand has maintained its social media engagement relative to the prior year, with 2% and 3% increases in our Instagram and Facebook audiences respectively.

OUR FLEXIBLE SUPPLY CHAIN REMAINS A KEY COMPETITIVE ADVANTAGE

The business has a well invested infrastructure and a proven successful supply chain which allows us to source clothes in a responsible and ethical manner. This allows for the business to respond to customer demands and to provide on-trend product whether it be influenced by social media, the catwalk or television. In the last year we have started to work to broaden our supply base to help reduce any dependency on any one particular supplier or region. Our supply chain and ability to constantly refresh products for sale in store and online are strong competitive advantages.

QUIZ continues to introduce new products each week in order to meet customer demand as trends emerge throughout the season. The Board believes this remains an important component for success as customers increasingly access the options available of where, when and how to shop.

LAUNCHING QUIZ'S FIRST SUSTAINABLE COLLECTION

We have recently introduced our first sustainable product range.

The QUIZ Eco collection is our first step to create an environmentally friendly collection. The capsule collection is designed and manufactured in the UK via the Global Recycled Standard certified route. Remaining mindful and lowering our environmental impact, QUIZ Eco uses recycled polyester fibre made into fabric blends to help further our practices in environmentally responsible production. The print range used on the recycled soft fabrics is water-based, using less chemicals and therefore producing less waste along the way.

TARGETED MARKETING INVESTMENT

Continuing to underpin the growth and expansion of the QUIZ brand is the Group's approach to targeted and returns-driven marketing investment. Investment continued to be carefully managed during the year given the Group's focus on cost management. Whilst marketing spend increased 64% to £2.3 million (2021: £1.4 million) revenues rose 97% and as a result marketing investment as a proportion of Group sales for FY 2022 decreased to 3.0% (2021: 3.6%).

With stores and concessions being open across most of the year, we increased marketing activity and influencer and celebrity campaigns for the autumn/winter 2021 period to promote our party wear ranges. The impact of this activity was hindered by the reintroduction of restrictions on social events prior to Christmas.

Since January and the removal of social restrictions, we have increased our budgets and have undertaken a number of successful influencer marketing initiatives and will continue this activity through the remainder of the year. We are excited to see a positive response to our recent social media activity and the resulting demand for our ranges of holiday wear. This activity continues to be supplemented with digital marketing and offline activity to ensure that QUIZ remains at the forefront of our customers' minds.

STRATEGIC KPIS

	FY 2022	FY 2021	Change
Active customers	563,000	323,000	+74.3%
Online sales as a % of turnover	34.1%	54.5%	-21.4%
International outlets serviced	82	76	+6
UK retail space – square footage	136,000	174,000	-22%

OUR TEAM

Our business has staged a strong recovery from the unprecedented challenges posed by the COVID-19 pandemic. The resilience of the business is a reflection of the commitment and professionalism shown by our colleagues across our stores and concessions, distribution centre and head office through these difficult times. I would like to thank all my colleagues for their hard work and contribution in the last year and we can look forward to achieving further profitable growth going forward.

I would also like to thank our suppliers, business partners and customers for their continued support, allowing the business and brand to approach the future with confidence.

TARAK RAMZAN
CHIEF EXECUTIVE

4 July 2022

OUR BUSINESS MODEL

INPUTS

OUR INTEGRITY

At QUIZ, we recognise the importance and long-term benefits of acting as a responsible company in everything that we do whether in partnering with our suppliers, managing and reducing our impact on the environment; or providing a positive environment for both our employees and the local communities in which we operate.

OUR PEOPLE

Our people are key to the success of QUIZ. Their commitment is reflected in the recovery in revenues and profitability in the current year. We pride ourselves on the number of experienced employees who continue to work with QUIZ and the opportunities that are provided to new employees to develop their skills and careers.

OUR SYSTEMS AND INFRASTRUCTURE

We distribute through a mix of our own stores and website as well as concessions and third party websites. We have a well invested infrastructure that allows us to efficiently service our customers however they engage with QUIZ and to facilitate substantial growth in the future.

OUR VALUES

We have a clear customer strategy which is focused on a customer-first approach in everything we do. This is the clear priority for the business and this can only be maintained by engaging with equitably across all of our stakeholders.

QUIZ'S APPROACH

We believe QUIZ's future success will be built upon its brand and route to market.

The QUIZ brand provides our customers with the opportunity to elevate every occasion and to stand out from the crowd with our unique proposition of occasion wear and dressy casual wear. Our customer first approach provides fashion-conscious woman across a broad demographic with the opportunity to dress for all social occasions whether it be for lunch with friends, on holiday or attending weddings and other formal events.

Our omni-channel business model allows for customers to engage with the QUIZ brand wherever is most convenient whether that be in store, online or through one of our third party partners.

DELIVERING VALUE

EMPLOYEES

We recognise the need to attract, retain and develop employees in each area of the business. With over 900 employees, we look to ensure that the rewards and benefits provided remain competitive and that career progression opportunities are available across the business.

CUSTOMERS

Our customers look to QUIZ to provide great value fresh product offerings on a regular basis. New product is introduced on a weekly basis and our prices are reviewed to ensure that they continue to be appropriately priced. In addition to promoting the QUIZ brand to attract new customers, we reach out to our existing customers with promotional offers and notifications of new product to ensure they are retained as an active customer.

SUPPLIERS AND PARTNERS

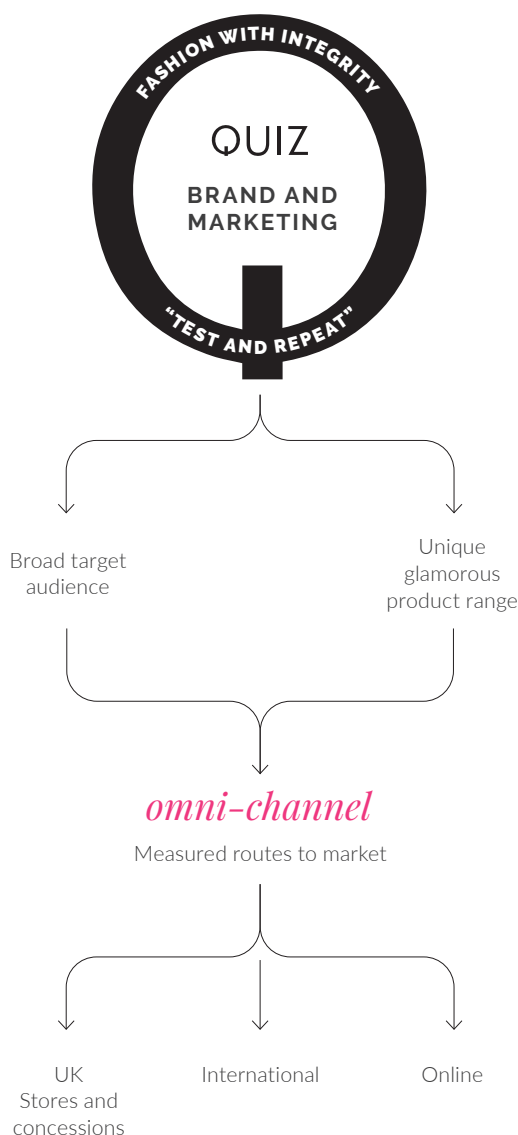
Our suppliers and partners are critical to our future success. We have suppliers in the UK and internationally. Our partners extend to department stores and third party websites in the UK as well as other partners across 19 countries. The financial stability and opportunities for future growth provides our suppliers and partners the opportunity to develop their own businesses and financial returns.

COMMUNITY

We look to create a positive impact on the communities in which we operate. We work with our suppliers to ensure that our products are made with care, consideration and respect. We are focused on minimising our environmental impact by managing and reducing our emissions and other waste.

SHAREHOLDERS

We have a small number of large shareholders, including Institutional shareholders as well as the founders of the business, along with many other individual shareholders. We appreciate their support and are focused on achieving growth in their investment through continuing to profitably increase revenues.



FINANCIAL AND BUSINESS REVIEW

Balance sheet strengthened and cash flow improved



GERARD SWEENEY

CHIEF FINANCIAL OFFICER

BASIS OF PREPARATION

To provide comparability across reporting years, the results within this Financial Review are presented on an "underlying" basis and excludes certain non-recurring transactions. In the previous year, an adjustment is made to exclude the non-recurring £15.6 million of gains which arose from the disposal of a subsidiary undertaking which entered administration and the subsequent repurchase of its business and certain assets. A reconciliation between underlying and reported results is provided at the end of this Financial Review.

GROUP OVERVIEW

The business benefited from the removal of lockdowns and the relaxation of social restrictions related to COVID-19. There was an uplift in revenues across each area of our business during the year with the focus on responding to the increased demand, re-establishing revenues and profitability and to continue to strengthen the Group's financial position.

Group revenue increased 97% to £78.4 million (2021: £39.7 million).

Further to this increase in revenues, the reported and underlying operating profit generated was £0.9 million (2021: reported operating profit of £6.2 million and underlying operating loss of £9.4 million).

FINANCIAL KPIS

	FY 2022	FY 2021	Change
Revenue	£78.4m	£39.7m	+ 97.4%
Gross margin	60.3%	53.4%	+ 6.9%
Underlying EBITDA % ¹	6.6%	(12.3%)	+ 18.9%
Cash from operating activities ¹	£5.3m	(£2.5m)	+ £7.8m

1. In the previous year the impact of the non-recurring gains which arose from the disposal of a subsidiary undertaking which entered administration and the subsequent repurchase of its business and certain assets is excluded.

Underlying EBITDA increased to a profit of £5.1 million (2021: loss of £4.9 million) which represented a EBITDA margin of 6.6% (2021: negative margin of 12.3%). Including the non-recurring transactions, EBITDA was £5.1 million (2021: £10.7 million).

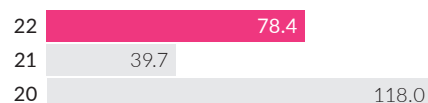
Underlying Group profit before tax was £0.8 million (2021: loss of £9.6 million). Profit before tax reflecting non-recurring transactions was £0.8 million (2021: £6.0 million).

Further to this, the underlying earnings per share, which is calculated using the underlying profit/(loss) before tax less tax at the effective statutory rate, was 1.65 pence (2021: loss of 7.54 pence). After reflecting the non-recurring transactions, the earnings per share was 1.65 pence (2021: earnings of 5.00 pence).

Cash net of bank borrowings at the year end amounted to £4.4 million (2021: £1.5 million).

REVENUE

£78.4m +97.4%

**Definition**

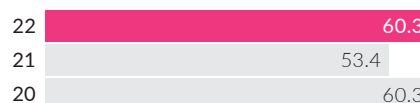
Online, UK Stores and concessions and International revenues.

Performance

Revenues recovered in each business channel further to the lifting of restrictions on social occasions and prolonged lockdowns closing stores and concessions.

GROSS MARGIN

60.3% +6.9%

**Definition**

Maintaining overall product profitability whilst executing the Group's growth strategy.

Performance

Strong demand for full priced product replaced the significant amount of discounting undertaken in the previous year and at the beginning of the current year.

UNDERLYING EBITDA %¹

6.6% +18.9%

**Definition**

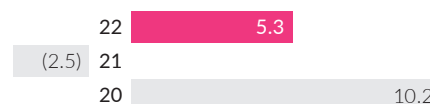
How we are controlling profitability and operating costs across the business.

Performance

The 97% uplift in revenues, the improvement in gross margin and the rise in operating costs being restricted to 22% led to a return to a positive EBITDA.

CASH FROM OPERATING ACTIVITIES¹

£5.3m +£7.8m

**Definition**

The conversion of profits into cash available to the business.

Performance

EBITDA converted into cash with the movement in working capital employed restricted to £0.2 million.

1. In FY 2021 the impact of the non-recurring gains which arose from the disposal of a subsidiary undertaking which entered administration and the subsequent repurchase of its business and certain assets is excluded. In FY 2020 the impact of the impairment of Right of Use assets, store assets and goodwill and a bad debt expense is excluded.

FINANCIAL AND BUSINESS REVIEW CONTINUED

REVENUE

Group revenue increased by 97% to £78.4 million from £39.7 million in 2021, with our three revenue channels shown below:

	FY 2022	FY 2021	Year-on-year growth	Share of revenue 2022	Share of revenue 2021
Online	£26.7m	£21.6m	+ 24%	34.1%	54.5%
International	£14.9m	£7.6m	+ 96%	19.0%	19.1%
UK stores and concessions	£36.8m	£10.5m	+ 250%	46.9%	26.4%
Total	£78.4m	£39.7m	+ 97%		

Online

The increase in Online revenues reflects the increased demand for product following the removal of social restrictions and the reinstatement of social occasions through the period.

Growth in revenues generated through QUIZ website sales amounted to 66%. Sales through third party websites declined 21% in the year reflecting the termination of sales through certain third parties and a reduction in the stock made available to other third parties to help maximise the financial returns generated.

The impact of the stronger demand during the year was reflected in the number of active customers at 31 March 2022 which increased 74% in the year to 563,000 (2021: 323,000).

International

International sales include revenue from QUIZ standalone stores and concessions in the Republic of Ireland and franchises in 19 countries.

As with the UK sales, International revenues benefited from increased demand as pandemic related restrictions were eased leading to a 96% rise to £14.9 million (2021: £7.6 million).

Revenues in Ireland increased 262% in the year to £4.3 million (2021: £1.2 million) further to the reduction in the lockdown periods which restricted trading. At 31 March 2022 the business operated 5 stores and 18 concessions in Ireland (March 2021 – 5 stores and 15 concessions), with a new store opening subsequent to the year end.

Franchise sales also benefited from the removal of lockdown and social restrictions and the subsequent return to previous demand levels. Further to this, revenues increased 65% to £10.6 million (2021: £6.4 million).

UK stores and concessions

Sales in the Group's UK standalone stores and concessions increased 250% to £36.8 million (2021: £10.5 million). The increase was largely attributable to our store estate and concessions trading for most of the year.

In the previous year, store revenues were impacted by the closure of stores for a period whilst new lease arrangements were negotiated following the restructuring of the store estate. In addition, stores and concession revenues were also impacted by the various lockdowns when stores were not allowed to trade and the reduced demand in other periods further to restrictions on social occasions.

As at 31 March 2022, the Group operated from 62 stores and 69 concessions (2021: 61 stores and 119 concessions). In the current year the numbers of concessions operated was impacted by the closure of the Debenhams stores. As a result of these changes, total selling space across the stores and concessions at 31 March 2022 decreased by 22% to 136,000 sq. ft. (2021: 174,000 sq. ft.).

GROSS MARGIN

Gross margins in the year progressively improved and returned to the levels generated prior to the pandemic.

In the current year, customers have expressed their preference for new products and whilst promotional activity is still undertaken it is not as aggressive as in the previous year. In addition, a higher proportion of sales was generated through stores and concessions which are traditionally higher margin channels.

Further to the factors, the gross margin in the year increased to 60.3% (2021: 53.4%).

Progress was made in disposing of excess stock from previous lockdown periods and this contributed to a £1.1 million reduction in the provision against slow-moving stock in the year to £2.6 million (2021: £3.7 million).

During the year we continued to encounter increased product cost and the costs associated with their shipment cost pressures. Whilst these additional costs were initially absorbed by the business, we have marginally increased prices to maintain our gross margin.

In addition, the widely reported industry-wide global freight disruption and increased costs have affected, and continue to affect the Group. To date we have minimised the impact of increased freight disruption by adjusting delivery schedules to ensure that product is available when required.

“There was an uplift in revenues across each area of our business during the year with the focus on responding to the increased demand and to re-establish revenues and profitability and to continue to strengthen the Group’s financial position.”

UNDERLYING OPERATING COSTS

Further to the Group’s increased revenues and operational activities there have been increases in operating costs, namely administrative and distribution costs, in the year. Operating costs increased by 22% from £38.8 million to £47.4 million.

The increases in costs reflect the impact of higher revenues on variable costs, including turnover rents, merchant fees, certain distribution costs, utilities, travel and expenses.

In addition to these increases, the receipts from the financial support such as furlough payments for employees provided by the UK Government, which is included in other operating income, has reduced 88% to £1.0 million (2021: £8.2 million). If this income was offset against operating costs, the increase in underlying operating costs amounted to 52%.

Administrative costs increased by £6.1 million or 20% to £36.6 million (2021: £30.5 million). The most significant increases included:

- a £3.6 million or a 114% rise in property costs to £6.7 million (including depreciation charges in relation to leases for standalone stores). Costs were lower in the previous period as there were no rental charges for standalone stores between leases being terminated on 10 June 2020 and new leases being agreed on a store by store basis. In addition, the increase relates to higher charges for stores where rentals are tied to revenues generated and the partial reintroduction of business rates for retail businesses;
- a £0.9 million or a 64% increase in marketing costs to £2.3 million. Spend was focused on digital marketing where a clear Return on Investment can be demonstrated and spend to drive broader awareness of the QUIZ brand and to ensure the business benefited from the increased consumer demand for occasion and dressy wear; and
- a £0.5 million or 104% uplift in merchant fees which is broadly in line with the increase in revenues in the year.

The above increases were partially offset by a £0.7 million or 22% decrease in depreciation and amortisation costs (excluding depreciation charges in relation to leases for standalone stores which are reflected in property costs) to £2.3 million (2021: £3.0 million) which reflect the higher level of asset impairments and therefore reduced depreciation charges recorded in previous years.

Distribution costs increased 30% to £10.8 million (2021: £8.3 million) and is reflective of the higher revenues generated in the period.

Included in distribution costs are commission payments to third parties which sell product on behalf of QUIZ. These increased as a result of the higher revenues generated through concessions and International franchise partners.

Also reflected in the increase in distribution costs are higher carriage costs to stores, concessions and franchises as well as to online customers further to the increased revenues generated.

OTHER OPERATING INCOME

Given the lockdown that applied at the beginning of the year and the time that elapsed before demand returned to normalised levels the business continued to benefit from the financial support provided by the UK Government in response to the COVID-19 pandemic.

The Group placed employees on furlough through the Government’s Coronavirus Job Retention Scheme and received £0.6 million (2021: £7.0 million) of payments in relation to its utilisation of these arrangements.

In addition, there were £0.4 million (2021: £1.2 million) of payments received in relation to coronavirus grants made available to retail businesses which were closed due to national or local restrictions.

FINANCIAL AND BUSINESS REVIEW CONTINUED

In addition to the above the business benefited from the partial waiver of business rates for retail businesses in England and the suspension of business rates for retail business in Scotland and Northern Ireland. It is disappointing to note that business rates are being reinstated to their previous levels despite the ongoing challenges faced by the retail sector.

NON-RECURRING ITEMS

As noted above, in the previous year £15.6 million of gains arose from the disposal of a subsidiary undertaking which entered administration and the subsequent repurchase of its business and certain assets.

FINANCE COSTS

The finance cost of £0.1 million (2021: £0.2 million) primarily relates to interest costs arising on the lease payments for stores in accordance with IFRS 16.

TAXATION

In the current year the Group recorded an income tax credit of £1.3 million (2021: £0.2 million) which represents a reported tax rate of a credit of 160.0% (2020 to 2021: tax credit rate of 3.1%).

Included in the income tax credit is £0.9 million in relation to the anticipated future cash benefit expected to be derived from utilising previously generated tax losses and available capital allowances in excess of the recorded net book value. This is reflected in the deferred tax asset of £1.0 million (2021: £0.1 million). The deferred tax asset had not previously been recognised given the uncertainty with regards to future earnings and the timing of the assets being realised. Given the improved financial performance in the current year it is now considered appropriate to recognise these assets.

In addition, the tax credit reflects an anticipated £0.4 million cash payment from carrying back of tax losses to reclaim tax paid in previous periods.

The remaining unrecognised deferred tax asset at 31 March 2022 amounts to £0.4 million (2021: £1.9 million).

EARNINGS PER SHARE

Basic earnings per share for 2022 was 1.65 pence per share (2021: 5.00 pence).

The underlying basic loss per share for 2022, which is calculated using the underlying loss after tax, was 1.65 pence (2021: loss of 7.54 pence).

DIVIDENDS

No dividend was paid during the year (2021: £Nil). Given the relatively low level of operating profits generated in the current year the Board does not recommend the payment of a final dividend.

CASH FLOW AND CASH POSITION

Cash, net of bank borrowings, at the year-end amounted to £4.4 million (2021: £1.5 million).

Net cash flow from operating activities resulted in an inflow of £5.3 million (2021: outflow of £2.5 million). Reflected in this inflow of cash is a £0.2 million working capital inflow (2021: £2.3 million). The reduction in working capital in the year, arose further to:

- higher revenues being derived from third parties leading to a £2.5 million uplift in receivables;
- increased stock purchasing and other operating expenses which resulted in a £3.3 million increase in payables; and
- the unwind of stock further to increased sales and discounting undertaken at the start of the financial year resulting in a £0.6 million increase in inventories.

Given the continued focus on preserving cash and in strengthening the balance sheet in the last year investment in the business was restricted to £0.5 million with £0.2 million spent on intangible assets and £0.3 million on property, plant and equipment.

Loans at 31 March 2022 of £1.4 million was consistent with the previous year.

The payment of lease liabilities amounted to £1.9 million (2021: £1.3 million) reflecting lease charges and the increased period of trading for the relevant stores in the past year.

FOREIGN CURRENCY HEDGING

The Group currently undertakes foreign exchange transactions.

The primary outflow of foreign exchange relates to the purchase of stock, primarily in Chinese Renminbi. The primary inflow of foreign exchange relates to Euro denominated revenues generated in Ireland.

The Group manages the risk associated with foreign currency fluctuations through the use of forward contracts for the sale or the purchase of the respective currency for a period between six and twelve months in advance. We have currently hedged our expected currency inflows and outflows in respect of Chinese Renminbi for the remainder of the financial year to 31 March 2022.

RECONCILIATION OF UNDERLYING AND REPORTED IFRS RESULTS

In establishing the underlying operating profit in the prior year an adjustment is made to remove the impact of the non-recurring £15.6 million of gains which arose from the disposal of a subsidiary undertaking which entered administration and the subsequent repurchase of its business and certain assets, as described in Notes 6 and 7.

A reconciliation between underlying and reported results is provided below:

	2022	2021		
	Underlying and Reported £m	Underlying £m	Non-recurring costs £m	Reported £m
Revenue	78.4	39.7	—	39.7
Gross profit	47.3	21.2	—	21.2
Government grants	1.0	8.2	—	8.2
Other operating costs (net)	(47.4)	(38.8)	—	(38.8)
Operating profit/(loss)	0.9	(9.4)	—	(9.4)
Gain on disposal of subsidiary	—	—	10.4	10.4
Gain on bargain purchase arising on acquisition	—	—	5.2	5.2
Profit/(loss) before finance costs	0.9	(9.4)	15.6	6.2
Finance costs (net)	(0.1)	(0.2)	—	(0.2)
Profit/(loss) before tax	0.8	(9.6)	15.6	6.0
Operating profit/(loss)	0.9	(9.4)	—	(9.4)
Gain on disposal of subsidiary	—	—	10.4	10.4
Gain on bargain purchase arising on acquisition	—	—	5.2	5.2
Depreciation and amortisation	4.2	4.5	—	4.5
EBITDA	5.1	(4.9)	15.6	10.7

GERARD SWEENEY

CHIEF FINANCIAL OFFICER

4 July 2022

PRINCIPAL RISKS AND UNCERTAINTIES

Focused risk management

RISK MANAGEMENT PROCESS

In order to help manage the Group's risks and uncertainties, the Board has delegated responsibility for monitoring the effectiveness of the Group's systems of internal control and risk management to the Audit Committee.

In addition, the Group has established a Risk Committee that includes the Chief Financial Officer and other senior management. The Risk Committee helps the Executive Board review the risk management and control process in each key business area on an ongoing basis and provides a platform for management to drive improvement across the business.

The Risk Committee considers:

- the identification, assessment and management of significant risks faced by the Group;
- the response to the significant risks which have been identified by management and others;
- the maintenance of a controlled environment directed towards the proper management of risk; and
- the annual reporting procedures.

On an annual basis the Board reviews the principal risks and uncertainties facing the Group and assesses the controls in place to mitigate any potential adverse impacts. This assessment is also undertaken whenever there is a perceived major change in the principal risks and uncertainties.

Accepting an appropriate level of risk is an integral part of realising any opportunity and reward, and it is only through effective internal management and controls that risk can truly form part of our decision-making process. Failure to identify and appropriately manage risk could prevent us from achieving our day-to-day objectives. Risk management is therefore critical to our day-to-day activities.

The following are considered to be the principal risks and uncertainties. The Board recognises that the nature and scope of risks can change and that there may be other risks to which the Group is exposed and so the list is not intended to be exhaustive.

The Corporate Governance Report includes an overview of our approach to risk management and internal control systems and processes.

An overview of the Group's risk management process is set out below:



LINKS TO STRATEGY



Online













International



UK stores and concessions



Read more about our strategy on page 10

Risk and impact	Mitigation	Links to strategy
<p>GLOBAL/REGIONAL PANDEMIC (I.E. COVID-19)</p> <p>As COVID-19 showed, the implications of such an event are extreme, sudden and challenging to mitigate. The impacts of a global (or regional) pandemic include:</p> <ul style="list-style-type: none"> customer demand reduction – restrictions on social events leading to lower demand along with general consumer mobility restrictions exacerbated by enforced store closures; supply chain disruption – supplier factory closures and freight disruption; supplier impact – increased risks of failure of key suppliers; employee impact – health and wellbeing implications plus restrictions on ability to undertake day-to-day operations; and management decision making – potential to be impacted if several members of the senior leadership team were to become incapacitated. 	<p>As evidenced by COVID-19, mitigation of the impacts of a global pandemic is very challenging. To navigate the challenges and mitigate the potential adverse impacts on the Group, we have focused on:</p> <ul style="list-style-type: none"> well invested, modern IT infrastructure to support remote and agile working; adapting our working environments and practices to operate safely; flexible lease terms with costs commensurate to revenues generated across the store portfolio mitigating adverse financial impact of customer demand reduction; and increasing our casual ranges to reduce our exposure to occasion wear. 	  
<p>BRAND AND REPUTATIONAL RISK</p> <p>The Group's performance is influenced by the image, perception and recognition of the QUIZ brand. Failure to ensure that the brand continues to be innovative, relevant and respected would impact the business. Not only could our brand be undermined or damaged by our actions but also by those of our franchise partners or issues connected with product sourcing.</p>	<p>We carefully monitor the brand and its reputation with feedback closely monitored, with particular reference made to feedback provided through social media channels. New partners are carefully vetted prior to engaging with the business and our contractual arrangements help protect the brand's reputation.</p>	  
<p>DEVELOPMENT OF OVERSEAS MARKETS</p> <p>Failure to identify and maximise opportunities for international growth either through our franchise operations or ecommerce could have an adverse impact. Failure to identify appropriate franchise partners or failure to support these markets with systems and supply chain capability could result in not establishing the brand effectively in new markets. The failure of a franchise partner could impact the business through lost revenue and the failure to recover balances owed.</p>	<p>We perform extensive due diligence on all potential partners and territories to assess our appropriate routes to market. We are progressively operating in a range of international markets, which helps to mitigate over reliance on and exposure to any one territory. Our team of experienced buyers, merchandisers and designers allows for products to be tailored for each market as appropriate. Zonal pricing is adopted which allows the business to be competitive in each key market according to its circumstances. The credit risk associated with franchise partners is addressed through the provision of Standby Letters of Credit or the application of appropriate credit terms.</p>	
<p>FASHION AND DESIGN</p> <p>As with all fashion brands there is a risk that our offer will not satisfy the needs of our customers or we fail to correctly identify trends. If new product ranges or styles fail to meet sales expectations, lower sales and market share could occur.</p>	<p>The QUIZ business model is based upon being reactive to customer demand with a “test and repeat” supply model that is able to quickly introduce new products based on identifying trends and the subsequent reorder successful lines quickly. We have an experienced team of buyers, merchandisers and designers which closely follows changes in the market, consumer trends and fashion to ensure that we remain able to respond to changes in consumer preference. We have also invested in modern systems which provide detailed information on how consumers are responding to products, which allows us to react accordingly.</p>	  

PRINCIPAL RISKS AND UNCERTAINTIES CONTINUED

LINKS TO STRATEGY



Online



International



UK stores and concessions



Read more about our strategy on page 10

Risk and impact	Mitigation	Links to strategy
CHANGING ECONOMIC ENVIRONMENT Broad changes to consumer expenditure or a deterioration in the economy could materially and adversely affect the Group's financial condition, operations and business prospects. In the UK, where the majority of the Group's revenues are generated, the current inflationary environment has increased the likelihood and potential impact of this risk. In addition, the existing inflationary environment has the potential to impact the Group's input costs.	In the short term the brand's focus on providing a quality and value-for-money product ensures QUIZ appears as a viable option in the event of reduced overall expenditure. In the longer term the flexible business model, such as stores having short lease terms, provides the ability to direct resources to where is most relevant for the QUIZ customer. Increase in input costs is closely tracked and products sourced at an appropriate costs or prices amended to allow products to be sold at the targeted margin.	
COMPETITOR ACTIONS New competitors and existing clothing retailers will target our segment of the market. Existing competitors may increase their level of discounting or promotions resulting in QUIZ not being as competitive. In addition, competitors may expand their presence in new channels. These actions could adversely impact our sales and profits.	QUIZ differentiates itself from competitors with its strong brand and product offering. The Group is focused on product its customers with value for money offering and monitors competitor pricing to ensure that product is competitively priced. Our customer database allows for the Group to communicate effectively with customers which helps develop customer engagement and loyalty. We continue to invest in our online business to enhance our offering to customers.	
PRODUCT SOURCING We source product from a wide range of suppliers including a significant proportion from overseas. Failure to carry out sufficient due diligence on our suppliers, and to act in the event of any negative findings, especially in relation to ethical or quality-related issues, could adversely impact our brand and reputation.	The Group has a policy and process for undertaking due diligence on existing and new suppliers. This includes a review of compliance with laws and regulations and that our suppliers meet generally accepted standards of good practice. In addition, suppliers are required to sign up to the QUIZ Ethical Code of Practice. This process includes steps to ensure transparency of where products are produced and under what conditions. Ethical audits are undertaken across the product supply base supported by a third-party agency. The wide range of suppliers reduces any dependency on any one producer, minimising the impact of any need to terminate arrangements.	
LOSS OF KEY TRADING PARTNER There are a small number of third-party partners in relation to online, franchise and concession revenues. The loss of one or more of these partners would impact upon the business.	Trading relationships with all our partners are monitored on a regular basis to ensure they are profitable for both parties. If relationships are unprofitable, they are terminated. We have regular contact with our key partners to ensure our relationships continue to evolve. The continued growth and diversification of the business reduces the existing dependency and allows for new partners to be identified. Credit risk is managed through the use of a Standby Letter of Credit for a number of international customers.	
PHYSICAL INFRASTRUCTURE Damage to or the loss of our distribution facility could have a material impact upon the business and its ability to effectively service our customers. A similar event at the head office could impact the ability of the business to operate effectively.	Preventative measures are taken to minimise the risk associated with damage to or the loss of our distribution facility or head office. Business continuity of the head office functions would be preserved through working from an alternative facility. In addition, the Group maintains insurance cover at an appropriate level to protect against the impact of such an interruption.	

LINKS TO STRATEGY



Online



International



UK stores and concessions



Read more about our strategy on page 10

Risk and impact	Mitigation	Links to strategy
IT INFRASTRUCTURE AND CYBER SECURITY The Group's IT infrastructure is key to the operation of its business. Non-availability of the Group's IT systems, including the website, for a prolonged period or malicious attacks, data breaches or viruses could result in business disruption, loss of sales and reputational damage.	Arrangements are in place with regards to key systems to allow for issues to be promptly addressed. For prolonged issues disaster recovery procedures minimise the risk of lost information and operational disruption. Access to systems is restricted to minimise the possibility of malicious attacks, data breaches or viruses. A regular assessment of vulnerability to malicious attacks is performed and any weaknesses rectified. The storage of personal data is tightly controlled in line with data protection guidelines and PCI requirements and to ensure compliance with GDPR. Employees are made aware of the Group's IT security policies and we deploy a suite of tools to protect against such events.	
INFRASTRUCTURE FOR ECOMMERCE SALES The business has rapidly grown its online sales and this is a key pillar for future growth. Failure to continue to develop personnel, systems and the product offering in this area could impact upon the existing business and the potential for growth.	The team associated with ecommerce sales has grown and we regularly identify what resource will be required to facilitate future growth. A budget is allocated to provide for capital investment in software and other initiatives to ensure the infrastructure supports future growth.	
PEOPLE Our success to date has been linked to the performance of our people, particularly in relation to key individuals. The failure to develop the capability and capacity of our people would impact upon the future development of the business.	We look to ensure that key individuals are retained through long-term incentive schemes and by providing competitive remuneration. We have developed each team within the business by appropriate recruitment and by looking to provide a structure that allows for future development.	
LOSS OF KEY STAFF The existing management team has contributed significantly to our growth and performance. The loss of a key individual could have a detrimental effect on our business.	The existing shareholdings of a number of the key management provide a clear incentive to contribute to the long-term development of the business. Other members of the management team are attracted and retained through share-based awards and performance-related pay. In addition, a team-based approach is adopted across the business which reduces dependence and contributes to succession planning.	
REGULATORY AND LEGAL FRAMEWORK We operate in a range of international markets and must comply with various regulatory requirements. Failure to do so could lead to financial penalties and/or reputational damage.	The Group closely monitors changes in the legal and regulatory framework within the markets in which it operates. We work closely with advisers in each market to ensure compliance with local laws and regulations.	
FOREIGN EXCHANGE The Group is exposed to fluctuations in the exchange rates of key currencies.	The Group has adopted a hedging policy to mitigate short-term foreign exchange risk. We currently seek to hedge a material proportion of forecasted currency requirements through the use of forward contracts.	

SOCIAL RESPONSIBILITY

Fashion with integrity

At QUIZ, we recognise the importance of acting as a responsible company in everything that we do.

Our social responsibilities are focused on three key strands:

- Fashion with Integrity: partnering with our suppliers to create distinctive products made with care, consideration and respect;
- Respecting our Environment: managing and reducing our impact on the environment; and
- Our QUIZ Community: nurturing an exciting environment for both our employees and the local communities in which we reside.



FASHION WITH INTEGRITY

Building long-term relationships with our suppliers has created a sustainable supply chain to respond to changing fashions and consumer preferences. We work with our suppliers to ensure that our expectations with regards to ethical compliance are reflected throughout our supply chain.

We are aware of the sensitivities of sourcing responsibly and the challenges posed by having a global supply chain focused on fashion. Our customers expect the latest looks from us, but with this comes a duty to ensure our products are sourced and manufactured responsibly. The responsibility for meeting these expectations is led from the Board and is integral to our core values and permeates all departments.

As a business, we are committed to providing good quality products to our customers and a vital part of this commitment relies on our suppliers ensuring that all goods are produced in a safe working environment where workers' rights are respected. We require our suppliers to sign our QUIZ Ethical Code of Practice, which adheres to the core principles of the Ethical Trading Initiative Base Code, setting worldwide standards on labour practices, to protect our own workers as well as those throughout our supply chain.

QUIZ suppliers must comply with this practice to ensure their workforces, working conditions, management and production processes are not just legally compliant but are also fair, responsible and sustainable. We work closely with our suppliers and clearly communicate our expectations to ensure that our goals are aligned, ensuring the benefits of compliance and continued improvements to working conditions are beneficial to all parties.

Much of our product is sourced from China, with a significant percentage manufactured in the UK. We understand the importance of supply chain and ethical compliance transparency and are committed to continuously driving improvements through non-compliance remediation, factory visits and supporting suppliers to ensure their compliance with our expectations. Whilst we have worked with many of our suppliers for a number of years, developing long-lasting relationships which are based on mutual trust and expertise, we ensure that compliance is verified both by our resources and independently.

“The Board will continue to prioritise ensuring that the Group maintains an ethical and responsible supply chain that all QUIZ’s stakeholders can be proud of. We are committed to continually investing in this critical area of the business to ensure that the Group’s systems remain robust and that the Group’s strict Ethical Code of Practice is adhered to.”

In the past year we have sourced product across ten countries. We ensured compliance with our Ethical Code of Practice through:

- engaging with specialist third-party auditors to provide appropriate accreditation before any new suppliers are approved and conduct independent audits of each of the factories within our supply chain on an ongoing basis;
- regular checks and visits with our suppliers in the Leicester region by our locally based Ethical Compliance Manager;
- working closely with suppliers to ensure that their working environments are compliant with health and safety requirements to address COVID-19;
- working with our partners, which are major UK retailers, to ensure the compliance of our supply chain and share best practice processes;
- ensuring compliance with the process to provide clear visibility of the factory address where every QUIZ product is being made to prevent any unauthorised sub-contracting; and
- conducting audits and random factory site visits across our supply chain to increase ongoing visibility of compliance with the Group’s strict values and requirements.

In addition, all our suppliers are required to confirm compliance with our Restricted Raw Material Sourcing declaration to ensure raw materials are ethically sourced.

The Board will continue to prioritise ensuring that the Group maintains an ethical and responsible supply chain that all QUIZ’s stakeholders can be proud of. We are committed to continually investing in this critical area of the business to ensure that the Group’s systems remain robust and that the Group’s strict Ethical Code of Practice is adhered to.

Our public statement with regards to the Modern Slavery Act, detailing our progress and commitment, is available at www.quizgroup.co.uk.

RESPECTING OUR ENVIRONMENT

QUIZ is committed to protecting the environment and becoming more sustainable with the focus on a number of areas across our business, including our stores and offices, carbon emissions, packaging and waste and providing customers with more sustainable product. We have taken action to minimise any negative aspects of our operations and to help create a positive impact for the future.

Greenhouse gas emissions

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. All emission and energy usage reported is UK based, which complies with the requirements for large unquoted companies.

UK GHG emissions data ¹	FY 2022	FY 2021
Scope 1 (tonnes CO₂e)²		
combustion of fuel operation of facilities and refrigeration	279	291
Scope 2 (tonnes CO₂e)³		
electricity, heat, steam and cooling purchased for own use	760	669
Total gross location-based method Scope 1 and 2 emissions	1,039	960
GHG intensity metric (tonnes of CO ₂ e per £million of retail revenue)	13.3	24.2
Procured renewable energy	713	—
Total gross market-based method Scope 1 and 2 GHG emissions	326	960

1. Figures represent a twelve-month period ending at or around the financial year end.

2. Scope 1: emissions associated with our direct activities, such as heating our stores, offices, warehouses and company cars.

3. Scope 2: emissions from the electricity we purchase.

SOCIAL RESPONSIBILITY CONTINUED

RESPECTING OUR ENVIRONMENT
continued**Greenhouse gas emissions** continued

Our Sustainability Road Map has prioritised addressing Climate Change and further to this in the past year, we have made significant progress to reduce our carbon usage as all our electricity and gas in the United Kingdom and the Republic of Ireland is now sourced under renewable green carbon free arrangements. This is expected to result in a saving of over 760 tonnes in annual carbon emissions per annum.

During the year our stores were open for most of the year in contrast to being closed for more than half of their potential trading hours in the previous year. As a result, our direct business operations were expanded resulting in an increase in our GHG emissions across this period. In addition, we realised the benefit of incremental changes made across the organisation to reduce energy consumption. The increase in total emissions of 8% was less than the 97% uplift in revenues during the year resulting in a reduction in the Intensity Metric from 24.2 to 13.3 tonnes of CO₂e per £million of retail revenue.

Going forward we intend to invest more into renewable energy sources and to continue to reduce our carbon emissions from Scopes 1 to 3 across the carbon footprint scale.

Waste

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 including the following steps:

- all of our product which was to be disposed of was recycled or donated to charity resulting in Zero Landfill impact from these disposals;
- our increased focus on following best practice processes in respect of recycling has helped to reduce the amount of cardboard waste going to landfill by 120 tonnes and general waste by 160 tonnes over the last two years with progress being recorded each year;
- ensure that all wood utilised across the business is recycled with approximately 8 tonnes of broken pallets per annum chipped and recycled into RDF fuels or new production processes; and
- all paper consumed in the business is sourced with zero carbon impact and used paper is disposed in recycling facilities.

In the next year we intend to utilise more recycled material in our products.

Packaging and plastics

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. We continue to make progress in this area:

- all in-store and online delivery plastic bags are now sourced from recycled material and are recyclable;
- all cardboard packaging is sourced from recycled material; and
- any plastic waste generated at our distribution centre of head office is compacted and directly transported to recycling facilities with approximately 10 tonnes of polythene per annum sent to a plastic processor to become a new carrier bag or similar product.

Environmentally friendly collection

We have recently introduced our first sustainable product range.

The QUIZ Eco collection is our first step to create an environmentally friendly collection. The capsule collection is designed and manufactured in the UK via the Global Recycled Standard certified route. Remaining mindful and lowering our environmental impact, QUIZ Eco uses recycled polyester fibre made into fabric blends to help further our practices in environmentally responsible production. The print range used on the recycled soft fabrics are water-based, using less chemicals and therefore producing less waste along the way. From spot print maxis to grassy green midis, available online only, these styles are made to wear on repeat.

We plan on growing our sustainable product offering across all business areas to include footwear and accessories and will introduce more sustainable fibre and fabric options to our collections.

We will continue to develop a programme to consider sustainability from the design to the manufacture finished products and beyond. This means we will continue to consider the sustainable perspective in all production development processes including the business model, the materials used, and the product destiny after its lifetime is ended.

OUR QUIZ COMMUNITY

We have continued to focus in supporting our colleagues to manage the impact of COVID-19. We were proactive in our decision making both in terms of providing the option to continue remote working and in the longer term provide the option of hybrid working, where time is split between home and the office, where possible. At the start of the year, we continued to utilise the furlough arrangements to preserve as many roles as possible.

In operating our business, the talent, creativity and passion of our people are at the heart of the QUIZ culture. Everything we do is with the customer in mind. Our customer-first mentality is embedded at our head office, in our stores and concessions, and throughout the markets where our teams operate.

“

QUIZ is committed to protecting the environment and becoming more sustainable with the focus on a number of areas across our business, including our stores and offices, carbon emissions, packaging and waste and providing customers with more sustainable product.”

The value we place in our people is shown in the way we motivate them. We encourage new learning and development as well as rewarding their valuable contribution.

We encourage new talent and cultivate creative ideas and, as a team, we are always looking to push boundaries and explore opportunities. Many of our employees have been with QUIZ for much of their working years and, as the QUIZ community grows and we welcome new talent and new ways of doing things, this team-based approach will always remain at our core.

We care about the local communities in which we work and make sure we positively contribute to those local communities in which we reside. Our dedicated teams, at head office and across our stores, hold fundraising events and sample sales on behalf of local charities. In addition, the funds raised along with revenue raised through the sale of plastic bags in store are distributed to local charities based upon staff input as to how money should be allocated.

We are committed to ensuring that all our team members, regardless of gender, receive the same support and opportunities to progress, develop and enjoy a rewarding career with us. Our latest gender pay gap information (gender pay gap is the difference between our male and female mean and median salaries across the whole organisation) reported a 9.4% median pay gap, which is below the UK national average of 15.4%.

The fact that a gender pay gap exists at QUIZ is, we believe, due to the structure of our business rather than any differentials in how

we pay men and women for doing the same role. We continue to look at ways that we can evolve and improve these results.

As a responsible business, we encourage diversity in the workplace and we are committed to treating everyone fairly and ensuring that everyone – no matter what their background, race, ethnicity, gender or disability – has the same opportunities to progress, develop and enjoy a rewarding career. If an employee were to become disabled whilst in employment and as a result was unable to perform his or her duties, every effort would be made to offer suitable alternative employment and assistance with retraining. We continue to support the development of all our colleagues – in particular our talented female colleagues into leadership roles. We will continue to support all colleagues to ensure they have a long and rewarding career with us.

We encourage new talent and cultivate creative ideas and, as a team, we are always looking to push boundaries and explore opportunities.

The Strategic Report relates to the content from the Inside Front Cover (“IFC”) to page 31.

TARAK RAMZAN
CHIEF EXECUTIVE

4 July 2022



SECTION 172 STATEMENT

Engaging with our stakeholders

This statement describes how the Directors have had regard to the matters set out in Section 172 of the Companies Act 2006, as modified by the Companies (Miscellaneous Reporting) Regulations 2018, in exercising their duty to promote the success of the Company for the benefit of its members as a whole. Whilst not a requirement under Jersey Company Law, the Directors consider disclosure of this statement to be in-line with best practice reporting. Within the fast-moving fashion retailing sector, the operational cycle is short. Despite this, the Board remains mindful that its strategic decisions can have long-term implications for the business and its stakeholders, and these implications are carefully assessed.

The Directors consider that the following groups are the Company's key stakeholders. The Board seeks to understand the respective interests of such stakeholder groups so that these may be properly considered in the Board's decisions. This is done through various methods, including: direct engagement by Board members; receiving reports and updates from members of management who engage with such groups; and coverage in our Board papers of relevant stakeholder interests with regard to proposed courses of action.

This statement and the Strategic Report were reviewed and approved by the Board on 4 July 2022 and is signed on its behalf by:

TARAK RAMZAN
CHIEF EXECUTIVE
4 July 2022

“Our employees rely on us to provide stable employment and opportunities to realise their potential in a working environment where they can be at their best. The quality, commitment and effectiveness of the Group's employees are crucial to its continued success.”





A. Employee engagement

Our employees rely on us to provide stable employment and opportunities to realise their potential in a working environment where they can be at their best. The quality, commitment and effectiveness of the Group's employees are crucial to its continued success and their engagement is encouraged through:

- comprehensive induction processes for new employees;
- policies and programmes designed to encourage employees to become interested in the Group's activities and to reward employees according to their contribution and capability and the Group's financial performance;
- communications to disseminate relevant information including information on matters of concern as well as economic factors affecting the Group performance; and
- encouraging employee feedback through their line manager or, where there are concerns with regards to confidentiality, through our HR team.

See also: Social Responsibility section of this Annual Report.



B. Customers

We look to develop brand loyalty by providing customers with product that allows them to stand out from the crowd. The Group maintains an ongoing dialogue with its customers, who are the reason we exist, to ensure that our offer remains attractive through:

- news announcements on the Group's website and through the regulated market announcements;
- engagement with customers through communication activities performed through the brand's social media sites and via email where customers have opted in to receive such communication; and
- undertaking reviews and surveys to better understand our customers.

See also: Social Responsibility section of this Annual Report.

SECTION 172 STATEMENT CONTINUED



C. Suppliers and partners

Our suppliers and partners rely on us to generate revenue and employment for them. The Group maintains an ongoing dialogue with its suppliers and partners, which help to make and distribute or product, through:

- comprehensive assessment and onboarding process for all new QUIZ product suppliers;
- annual independent compliance audits for product suppliers using the SMETA process;
- engaging in supplier face-to-face meetings; and email and telephone conversations with the Ethical Compliance team and senior management; and
- regular reviews with partners to assess commercial performance, compliance with QUIZ's expectations and potential improvements.

See also: Principal Risks and Uncertainties and Social Responsibility sections of this Annual Report.



D. Community and environment

We strive to operate a sustainable and responsible Group.

The Group has an increased focus on key environmental goals, including regarding energy efficiency and waste reduction. This is achieved by utilising energy produced from renewable sources wherever possible and initiatives across the business to reduce waste and increase the use of recycling.

Employees are encouraged to support their communities through charitable fundraising and participation in local events.

See also: Social Responsibility section of this Annual Report.



E. Shareholders

We rely on our shareholders as providers of capital to further our business objectives. The Group has an active programme of investor relations, which is described in detail in the Corporate Governance section of this Annual Report.

The Group maintains communication with institutional shareholders through individual meetings with Executive Directors, particularly following publication of the Group's interim and full year preliminary results.

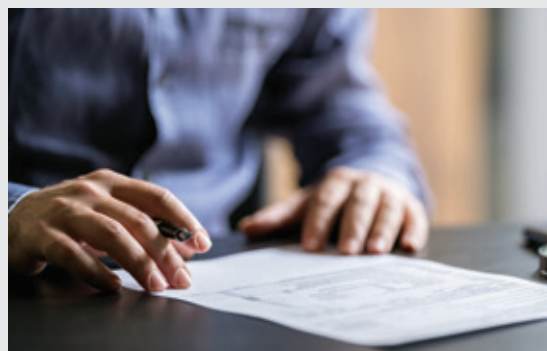
The Board is informed of shareholder views as part of the regular reporting process and matters for discussion.

With Tarak Ramzan as a founder shareholder committed to the future of the business, we maintain a relationship with all of our shareholders to allow us to take a long-term view in the management of the business. This involvement is central to ensuring we act fairly in considering the needs of all shareholders, along with other stakeholders.

The annual general meeting is an important opportunity for communication with both institutional and private shareholders and also typically involves a short statement on the Company's latest trading position. Shareholders may ask questions of the full Board, including the Chairs of the Audit, Remuneration and Nomination Committees. In addition to being able to attend the annual general meeting shareholders are invited to submit questions by email and responses are provided directly.

The result of the proxy votes submitted by shareholders in respect of each resolution are available on the Company's website or on request from the Company Secretary.

General information about the Group is also available on the Group's website: www.quizgroup.co.uk. This includes an overview of activities of the Group and details of all recent Group announcements.



F. Governance and tax authorities

We seek to enjoy a constructive and cooperative relationship with the bodies that authorise and regulate our business activities. This helps us maintain a reputation for high standards of business conduct. The Group has processes in place to monitor new regulations and compliance requirements that may impact the business, including, for example, product regulations, financial accounting and reporting updates and tax accounting and reporting compliance.

See also: Principal Risks and Uncertainties section of this Annual Report.

The key Board decisions and their impact on stakeholders in the year included:

Rebuilding revenues and financial strength in a post-COVID-19 environment

The primary objective for the Board in the last year has been to re-establish revenues on a like-for-like basis to their pre-pandemic levels and to strengthen the Group's balance sheet further to the reduction in the total liquidity headroom since March 2020.

Initially the business worked to dispose of surplus stock to manage the carry-over of excess stock. Thereafter the focus was on responding to customer demand for new on trend product. During the year there continued to be a focus on controlling costs and improving the Group's net cash position. This benefited a number of stakeholders through ensuring the viability of this business going forward:

- employees – persevered the maximum number of roles going forward and allowed for employment of more employees;
- customers – responded to customer demand for on trend product through omni-channel model to allow customers to access QUIZ where most convenient for them;
- suppliers – maximised potential future revenues and opportunities for suppliers to supply additional product to QUIZ; and
- shareholders – improved future cash flows and liquidity headroom to provide a stable base for further expansion or to provide a buffer against any future headwinds.

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BOARD OF DIRECTORS

**PETER
COWGILL**INDEPENDENT
NON-EXECUTIVE CHAIRMAN

A



Peter was Executive Chairman of JD Sports Fashion Plc for 18 years, prior to which he was Finance Director. Peter was instrumental in driving the strong performance of JD Sports Fashion during his time as Executive Chairman. Peter is also the Non-Executive Chairman of Roxor Group Limited.

**TARAK
RAMZAN**

CHIEF EXECUTIVE

N



Tarak opened his first QUIZ retail store in Glasgow in 1993. After inheriting his father's manufacturing business aged 18, Tarak made the decision to move into retail once UK manufacturers began to move offshore. With his passion for retail and a keen eye for fashion and product, he has steered the Company to success using a strategy that is centred around QUIZ's distinctive selling proposition and ability to stay ahead of the competition. Tarak has developed QUIZ's fast-fashion business model over the years and is responsible for brand strategy, buying and merchandising.

**GERARD
SWEENEY**

CHIEF FINANCIAL OFFICER



Gerard joined QUIZ in September 2016 as Chief Financial Officer. He was previously the Group Finance Director at Robert Wiseman Dairies PLC, where he worked for 15 years. Gerard is responsible for the finance function, the development of systems and reporting to support the business. After completing an Accountancy degree, he qualified as a chartered accountant when working with Arthur Andersen. Gerard is also the Company Secretary.

**SHERAZ
RAMZAN**

CHIEF COMMERCIAL OFFICER



Sheraz joined QUIZ in 2003 after completing a degree in Engineering and then a Master's in Business Management. Initially tasked with raising the profile of the non-clothing merchandise part of the business, he developed a fast and flexible Far East supply chain, supporting growth of the footwear and accessories ranges. In his current role, Sheraz is responsible for strategic planning, brand marketing and facilitating Company growth by engaging with new partners and territories. He plays a role in overseeing the development of the QUIZ domestic and international online operations.

CHARLOTTE O'SULLIVAN

INDEPENDENT
NON-EXECUTIVE DIRECTOR



Charlotte has over 15 years' experience in luxury marketing and leading omni-channel business transformation. She is the Marketing and Digital Director at Mulberry Group plc, where she is an executive board member and is responsible for driving an integrated, customer-centric business strategy across the marketing, press and digital teams. Charlotte previously held ecommerce and marketing roles with decoration specialist St Nicolas and luxury lingerie brand Myla, before joining Mulberry in 2007. Charlotte chairs the Nomination Committee of QUIZ.

ROGER MATHER

INDEPENDENT
NON-EXECUTIVE DIRECTOR



Roger was previously the Group Finance Director and a board member of Mulberry Group plc for eight years, stepping down in May 2016. Roger is a Fellow of the Institute of Chartered Accountants in England and Wales having trained professionally with Price Waterhouse. He spent the previous ten years in senior finance and commercial roles within the multinational Otto Group based in both Hong Kong and the United Kingdom. Roger is also a Non-Executive Director and the Audit Committee Chair of Science in Sport plc. Roger chairs the Audit Committee and the Remuneration Committee of QUIZ.

-  Audit Committee
-  Nomination Committee
-  Remuneration Committee
-  Committee Chair

GOVERNANCE FRAMEWORK

**PETER COWGILL**

INDEPENDENT NON-EXECUTIVE CHAIRMAN

I have pleasure in introducing the QUIZ plc Corporate Governance Statement. The Board continues to be committed to supporting high standards of corporate governance. In this section of the Annual Report, we set out our governance framework and describe the work we have done to ensure good corporate governance throughout QUIZ plc and its subsidiaries.

BOARD GOVERNANCE

The Company is listed on the Alternative Investment Market of the London Stock Exchange. The Company continues to adopt the Quoted Companies Alliance Corporate Governance Code (the "QCA Code"). The Directors support the principles contained in these requirements and apply these where they consider they are appropriate for a company of QUIZ plc's size and nature. The Directors are committed to continuing to maintain high standards of corporate governance.

Further details are set out on the Group's Investor Relations website at www.quizgroup.co.uk/governance.

THE BOARD OF DIRECTORS

The Board comprises three Executive Directors and three Non-Executive Directors reflecting a blend of different experience and backgrounds. Each of the Non-Executive Directors are considered "independent". Further details regarding the Directors are set out on pages 34 to 35.

The experience and knowledge of each of the Directors give them the ability to constructively challenge strategy and to scrutinise performance.

ROLE OF THE BOARD

The Board is collectively responsible for the long-term success of the Group. It provides entrepreneurial leadership, sets Group strategy, upholds the Group's culture and values, reviews management performance and ensures that the Group's obligations to shareholders are understood and met.

The Board is committed to a strong ethical corporate culture and ensuring that the culture in the business is consistent with the Company's objectives, strategy and business model as outlined in the Strategic Report and addresses the principal risks and uncertainties. The Board achieves this by:

- encouraging diversity, inclusion and equal opportunities for all employees as outlined in the Social Responsibility section of this report;
- investment in training and development;
- regular communication with employees with regard to developments in the business;
- appropriate induction for new employees;
- investment in a head office which provides a creative environment consistent with the Group's values; and
- robust procedures to monitor and report upon compliance from suppliers with the Group's Ethical Code of Practice.

The Board monitors and assesses the culture in the business through feedback received at Board meetings with regard to matters such as regular reports on ethical compliance, compliance with health and safety standards and personnel matters such as employee retention, feedback from employees and training and development initiatives.

BUSINESS MODEL AND STRATEGY

QUIZ is an omni-channel fashion brand, specialising in occasion wear and dressy casual wear. It delivers a distinct proposition that allows its customers to stand out from the crowd. Its business model encompasses online sales, standalone stores, concessions, international franchises and wholesale arrangements.

Amongst the key challenges in executing its business model is ensuring products remain relevant and appropriately priced for QUIZ's customers. It works closely with employees, customers, supplier and partners in executing its strategy. Further details of this engagement are given in the Section 172 Statement on pages 28 to 31.

HOW THE BOARD OPERATES

The Executive Directors are responsible for business operations and for ensuring that the necessary financial and human resources are in place to carry out the Group's strategic aims. The Non-Executive Directors' role is to provide an independent view of the Group's business, to constructively challenge management and to help develop proposals on strategy. The Board as a whole, reviews all strategic issues and key strategic decisions on a regular basis.

All Directors take decisions objectively in the interests of the Group.

The Chairman, aided by the Company Secretary, takes responsibility for ensuring that the Directors receive accurate, timely and clear information.

Directors are aware of their right to have any concerns recorded in the Board minutes.

MATTERS RESERVED FOR THE BOARD

The Board has a formal schedule of matters reserved to it for decision, including the approval of annual operating and capital expenditure plans and the review of performance against these plans and the Group's strategy and objectives, treasury and risk management policies.

BOARD MEETINGS

The Board met five times in the year in relation to scheduled Board meetings. Items covered at these Board meetings included the evaluation of financial performance; the monitoring of performance against key budgetary targets; updates on governance, finance, legal and risk matters; health and safety; and proposals for any major items of capital expenditure. For all scheduled Board meetings an agenda is established and a Board pack is circulated at least 48 hours ahead of the meeting.

In addition to the above meetings the Board met for the Annual General Meeting and to consider the grant of share options.

Attendance at meetings during the year is noted below.

	Board		Audit Committee		Remuneration Committee		Nomination Committee	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Peter Cowgill	●●●●●●●●	●●●●●●●●	●●●●	●●●●	—	—	—	—
Tarak Ramzan	●●●●●●●●	●●●●●●●●	—	—	—	—	●	●
Sheraz Ramzan	●●●●●●●●	●●●●●●●●	—	—	—	—	—	—
Gerard Sweeney	●●●●●●●●	●●●●●●●●	—	—	—	—	—	—
Charlotte O'Sullivan	●●●●●●●●	●●●●●●●●	—	—	●●	●●	●	●
Roger Mather	●●●●●●●●	●●●●●●●●	●●●●	●●●●	●●	●●	●	●

As at 4 July 2022, the Board has met once, the Audit Committee has met twice and the Remuneration and Nomination Committees have met once since the end of the financial year. All applicable Directors attended these meetings.

The Board receives reports from the Executive Directors to enable it to be informed of and supervise the matters within its remit. The Board considers at least annually the Group's strategic plan.

Where issues arise at Board meetings, the Chairman ensures that all Directors are properly briefed and, when necessary, appropriate further enquiries are made.

In addition to scheduled meetings, the Board will convene to consider significant issues as they arise.

BOARD COMMITTEES

The Board has three separate Board Committees: Audit, Remuneration and Nomination.

Each Committee has written terms of reference setting out its duties, authority and reporting responsibilities, with copies available on request from the Company Secretary. The terms of reference of each Committee are kept under review to ensure they remain appropriate and reflect any changes in legislation, regulation or best practice. The Company Secretary is the secretary of each Committee.

A report from each Committee follows this commentary regarding the governance framework.

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

The table above shows the attendance of individual Directors at Board and Committee meetings of which they were members during the year.

TIME COMMITMENTS

The Board is satisfied that the Chairman and each of the Non-Executive and Executive Directors continue to be able to devote sufficient time to the Company's business.

The time commitment required from each Director includes attending the Board and Committee meetings outlined above, receiving and providing feedback on business developments on a weekly and monthly basis and being available between Board meetings for further discussion and feedback.

GOVERNANCE FRAMEWORK CONTINUED

EVALUATION

During the year the Chairman conducted an internal evaluation of the Board (including sub-committees and individual Board members). This evaluation considered the performance, commitment and contribution of each Director and that the Board members' respective skills complement each other and enhance the overall operation of the Board. The results of this evaluation were confirmed to the Board and its Committees to advise whether they are operating to the satisfaction of the Chairman and achieving their objectives.

In addition, the Board utilises a questionnaire to identify any areas of concern with regards to the above evaluation process and provide feedback as appropriate.

The review supported the current structure, the skills available and the overall operation of the Board with no major changes being required.

It is considered that the Board provides an appropriate mix of skills and personal qualities with substantial experience of working across the retail sector with expertise in different areas. This provides the Board with the capabilities to deliver the strategy of the Group and to benefit shareholders over the medium to long term.

DEVELOPMENT

The Company Secretary ensures all Directors are kept abreast of changes in relevant legislations and regulations, with the assistance of the Group's advisers where appropriate.

In addition, the Group is supportive in providing access to training for any Directors who deem this necessary to keep their skills up to date.

EXTERNAL APPOINTMENTS

In the appropriate circumstances, the Board may authorise Executive Directors to take Non-Executive positions in other companies and organisations provided the time commitment does not conflict with the Director's duties to the Company. The appointment to such positions is subject to Board approval.

CONFLICTS OF INTEREST

At each meeting the Board considers Directors' conflicts of interest. The Company's Articles of Association (the "Articles") provide for the Board to authorise any actual or potential conflicts of interest.

INDEPENDENT PROFESSIONAL ADVICE

Directors have access to independent professional advice at the Company's expense. In addition, they have access to the advice and services of the Company Secretary, who is responsible for advice on corporate governance matters to the Board.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Company has purchased directors' and officers' liability insurance during the year as allowed by the Company's Articles.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board has ultimate responsibility for the Group's system of internal control and for reviewing its effectiveness. However, any such system of internal control can provide only reasonable, but not absolute, assurance against material misstatement or loss.

The Board confirms that there are ongoing procedures for identifying, evaluating and managing significant risks faced by the Group and that it has reviewed these risks and the procedures with management before the financial year end. The Board considers that the internal controls in place are appropriate for the size, complexity and risk profile of the Group. The principal elements of the Group's internal control system include:

- the day-to-day management of the activities of the Group by the Executive Directors;
- a detailed annual budget is prepared including an integrated profit and loss account, balance sheet and cash flow statement. The budget is approved by the Board;
- monthly reporting of performance against the budget is prepared and reviewed by the Board;
- a schedule of delegated authority is maintained which defines levels of approval authority over such items as capital expenditure, commercial contracts, litigation and treasury matters; and
- the maintenance of a risk register which is reviewed at least annually by the Board.

The Group continues to review its system of internal control to ensure compliance with best practice, whilst also having regard to its size and the resources available.

ANNUAL GENERAL MEETING ("AGM")

The Company's AGM will take place on 20 September 2022. The Annual Report and Accounts and Notice of the AGM will be sent to shareholders in advance of this date.

AUDITORS' INDEPENDENCE

The Audit Committee reports to the Board on the effectiveness, value and independence of the auditors on an annual basis. The Audit Committee has established guidelines for the value of non-audit services permitted to be undertaken by the auditors above which their specific approval is required to ensure that any such work does not interfere with their independence. The Board is satisfied with the independence and objectivity of the auditors, RSM UK Audit LLP, and is recommending their re-appointment at the AGM.

**PETER COWGILL
NON-EXECUTIVE CHAIRMAN**

4 July 2022

AUDIT COMMITTEE REPORT

**ROGER MATHER**

COMMITTEE CHAIR

On behalf of the Board, I am pleased to present the Audit Committee Report for the year ended 31 March 2022.

The Committee's responsibilities include monitoring the Group's compliance with corporate governance and financial reporting requirements. It reviews the output of external audits, internal reports on risk management and internal control systems as well as the content of the Group's annual financial statements. It is responsible for monitoring the extent of non-audit services and advising on the appointment of external auditors.

In addition, the Committee reviews the effectiveness of the Group's internal controls and risk management systems and reports on these to the Board. The ultimate responsibility for reviewing and approving the Annual Report and Accounts and the half-yearly reports remains with the Board.

MEMBERS OF THE AUDIT COMMITTEE

The Audit Committee comprises two Non-Executive Directors: me, as Chair of the Committee, and Peter Cowgill.

The external auditors (RSM UK Audit LLP), Chief Executive and Chief Financial Officer also attend Committee meetings by invitation. The Committee has met three times since 30 November 2020, being the date the Group's last Annual Report was approved.

The Board is satisfied that I, as Chair of the Committee, have recent and relevant financial experience. I am a chartered accountant and was formerly Group Finance Director at Mulberry Group plc.

OTHER MEMBERS

Peter Cowgill

The Committee has maintained dialogue with the auditors outside of the scheduled meetings and meets with the auditors without the presence of the Executive Directors and members of the finance team.

DUTIES

The duties of the Audit Committee are set out in its terms of reference, which are available on request from the Company Secretary.

Matters considered at these meetings included:

- reviewing and approving the Annual Report and Financial Statements for the year ended 31 March 2022;
- discussion with the external auditors to confirm their independence and scope for audit work;
- considering the reports from external auditors identifying any accounting or judgemental issues requiring the Board's attention; and
- observations of internal controls and reviewing the Company's risks.

The Committee meets a minimum of twice per year.

ROLE OF THE EXTERNAL AUDITORS

The Audit Committee reports to the Board on the effectiveness, value and independence of the auditors on an annual basis. The Audit Committee also approves the extent of non-audit work undertaken by the auditors to ensure that it does not interfere with their independence and has established guidelines for the value of non-audit services permitted to be undertaken by the auditors.

AUDIT COMMITTEE REPORT CONTINUED

AUDIT PROCESS

The external auditors prepare an audit plan that sets out the scope of the audit, key areas of audit focus, audit materiality and the audit timetable for audit work. This plan is reviewed and agreed in advance by the Audit Committee. Following the completion of their work, the external auditors present their findings to the Audit Committee for discussion.

INTERNAL AUDIT

At present the Group does not have an internal audit function. In view of the size and nature of the Group's business, the Committee believes that management is able to derive assurance as to the adequacy and effectiveness of internal controls and risk management procedures without a formal internal audit function. This will be kept under review as the business evolves.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Group has a framework of risk management and internal control systems, policies and procedures. The Audit Committee is responsible for reviewing the risk management and internal control framework and ensuring that it operates effectively. The Committee has reviewed the framework and is satisfied that the internal control systems in place are currently operating effectively.

WHISTLEBLOWING

The Group has in place a whistleblowing policy which sets out the formal process by which an employee of the Group may, in confidence, raise concerns about possible improprieties in financial reporting or other matters. During the period, there were no incidents for consideration.

GOING CONCERN

The Directors have prepared a detailed financial forecast with a supporting business plan covering the medium-term future. Further detail on the going concern review is contained in Note 1 of the financial statements. The forecast indicates that the Group have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing financial statements.

ROGER MATHER

AUDIT COMMITTEE CHAIR

4 July 2022

NOMINATION COMMITTEE REPORT

**CHARLOTTE O'SULLIVAN**

COMMITTEE CHAIR

On behalf of the Board, I am pleased to present the Nomination Committee Report for the year ended 31 March 2022.

MEMBERS OF THE NOMINATION COMMITTEE

The Nomination Committee comprises two Non-Executive Directors, me, as Chair of the Committee, and Roger Mather, and the Chief Executive, Tarak Ramzan.

DUTIES

The duties of the Nomination Committee are set out in its terms of reference, which are available on request from the Company Secretary.

In carrying out its duties, the Nomination Committee is primarily responsible for:

- reviewing the structure, size and composition of the Board;
- recommending to the Board any changes required for succession planning;
- identifying and nominating for approval of the Board candidates to fill vacancies as and when they arise;
- reviewing the results of the Board performance evaluation process; and
- making recommendations to the Board concerning suitable candidates for the membership of the Board's Committees and the re-election of Directors at the annual general meeting.

The Nomination Committee meets at least once a year and otherwise as required and reports to the Board on how it has discharged its responsibilities.

OTHER MEMBERS

Tarak Ramzan,
Roger Mather

ACTIVITY DURING THE YEAR

The Committee met once during the year. Given there have been no resignations, there was no requirement for recruitment to the Board in the current year.

During the year the Committee has focused its work on the following:

- The structure and composition of the Board and its Committees: The Committee discussed the skills, experience and diversity of the current Board and Committee members taking into account the current and future needs of the Group. The Committee believes that the Board has the necessary balance of skills, knowledge and experience for its current needs. The Committee believes that the Directors are able to devote sufficient time to the Group, taking into account their other directorships.
- Succession planning: The Committee discussed long-term succession planning and emergency cover, and the need to identify and develop talent both within the Group and from the wider market.

TERMS OF REFERENCE

The Committee will keep its terms of reference under review with the main objective of ensuring that an appropriate management framework and governance structure are in place.

CHARLOTTE O'SULLIVAN

NOMINATION COMMITTEE CHAIR

4 July 2022

DIRECTORS' REMUNERATION REPORT

**ROGER MATHER**

COMMITTEE CHAIR

On behalf of the Board, I am pleased to present the Remuneration Committee Report for the year ended 31 March 2022.

The following narrative disclosures are prepared on a voluntary basis, are not subject to audit and will not be put to an advisory shareholder vote.

MEMBERS OF THE REMUNERATION COMMITTEE

The Remuneration Committee comprises two Non-Executive Directors, me, as Chair of the Committee and Charlotte O'Sullivan.

The Executive Chairman, Chief Financial Officer and external advisers may be invited to attend meetings of the Remuneration Committee but do not take part in the decision making. The Company Secretary acts as secretary to the Committee.

DUTIES

The duties of the Remuneration Committee are set out in its terms of reference, which are available on request from the Company Secretary. The terms of reference have been approved for the Remuneration Committee and are reviewed annually.

The Committee's primary responsibility is to determine, on behalf of the Board, the policy for the remuneration of the Executive Directors, the Company Secretary and such other members of the Executive Management Team of the Group as is deemed appropriate. It is furthermore responsible for determining the total individual remuneration packages of each Director including, where appropriate, bonuses, incentive payments and share options.

The remuneration of the Non-Executive Directors is a matter for the Board.

OTHER MEMBERS

Charlotte O'Sullivan

No Director or senior manager may be involved in any decision as to his/her own remuneration.

The Remuneration Committee meets at least twice a year.

PRINCIPLES APPLIED

The Remuneration Committee is committed to complying with the principles of good corporate governance in relation to the design of its remuneration policy and, as such, our policy takes account of the UK Corporate Governance Code and other best practice guidance (for example, the QCA Remuneration Guidance and the Investment Association's Principles of Remuneration), as far as is appropriate to the Company's management structure, size and listing.

The Non-Executive Directors of the Committee have no personal financial interest, other than as shareholders, in the matters to be decided. They have no conflicts of interest arising from cross-directorships or from being involved in the day-to-day business of the Group.

REMUNERATION OF NON-EXECUTIVE DIRECTORS

The Non-Executive Directors each receive a fee for their services, which is agreed by the Board taking into account the role to be undertaken. They are entitled to participate in the Company pension arrangements but do not participate in any of the equity or bonus schemes other than in relation to a Warrant Instrument entered into with Peter Cowgill on 18 July 2017 as described below.

Each Non-Executive Director who was in office during the year was initially appointed for a 36-month term from 28 July 2017 unless terminated earlier by either party giving the other two months' written notice. Each continues in their position with the same conditions with regards to termination.

REMUNERATION POLICY FOR EXECUTIVE DIRECTORS

The Committee's overarching aim is to attract and retain the highest calibre Directors and ensure reward for performance is competitive and appropriate for the results delivered. The remuneration package for each Executive Director incorporates performance and non-performance-related elements and:

- includes a market competitive salary, the level of which reflects the particular Director's experience and the nature and complexity of their work;
- rewards the Director's personal performance (through the award of annual bonuses) and provides an appropriate link to the Company's long-term performance and continued success (through the operation of share-based incentive schemes);
- provides post-retirement benefits through contributions to an individual's pension schemes or an equivalent cash alternative; and
- provides employment-related benefits including the provision of a company car or cash alternative, life assurance, insurance relating to the Director's duties, and medical insurance.

Each of the Executive Directors has a service contract with the Company that is terminable on twelve months' notice by either party.

SALARIES, BONUSES AND OTHER INCENTIVE SCHEMES

Each Executive Director receives a base salary and the opportunity to earn an annual bonus that is linked to the achievement of targeted levels of profit before tax in the relevant financial year. Annual bonuses will not normally exceed 100% of an individual's salary.

Long-term incentives are provided through the operation of the following arrangements that were first introduced in July 2017:

- the QUIZ Company Share Option Plan ("CSOP"), which allows tax advantaged options to be granted over the Company's shares to selected employees of the Group (including Executive Directors); and
- the QUIZ Employee Share Option Plan ("ESOP"), which enables non-tax advantaged options to be granted to the same category of individuals.

Options granted under the CSOP and ESOP generally vest after three years. Options were granted under the CSOP and ESOP to Gerard Sweeney in the year as detailed below.

The price per share payable on their exercise will normally be equal to the market value of a share on the date they were originally granted. Further detail of the options granted are provided in Note 23.

Given the existing size of their shareholdings, neither Tarak Ramzan nor Sheraz Ramzan have been granted awards under the CSOP.

The following information is required by the AIM Rules:

	Basic salary/fees £000	Bonus £000	Taxable benefits £000	Pension contributions £000	2022 Total £000	Basic salary/fees £000	Bonus £000	Taxable benefits £000	Pension contributions £000	2021 Total £000
Executive Directors										
Tarak Ramzan	180	—	18	22	220	158	—	15	22	195
Gerard Sweeney	130	—	11	13	154	127	—	10	13	150
Sheraz Ramzan	130	—	10	13	153	117	—	9	13	139
Non-Executive Directors										
Peter Cowgill	75	—	—	1	76	65	—	—	1	66
Charlotte O'Sullivan	35	—	—	1	36	34	—	—	1	35
Roger Mather	40	—	—	—	40	39	—	—	—	39
	590	—	39	50	679	540	—	34	50	624

Further to the challenging trading conditions experienced during the COVID-19 pandemic, the Directors supported the business by reducing their salaries by between 10% and 50% for a three-month period from April 2020. In addition, the Executive Directors deferred the payment of a proportion of their salaries by between 10% and 50% for the remainder of the year to March 2021. As a result, total salary payments of £116,250 included in the table in relation to the year ended 31 March 2021 above had been deferred; comprising £67,500 due to Tarak Ramzan, £9,750 due to Gerard Sweeney and

DIRECTORS' REMUNERATION REPORT CONTINUED

SALARIES, BONUSES AND OTHER INCENTIVE SCHEMES continued

£39,000 due to Sheraz Ramzan. Further to the business stabilising, as determined by reference to the financial results for the period ended 30 September 2021, these deferred payments were paid to the respective Directors in December 2021.

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.

Pension contributions are paid into defined contribution schemes for four Directors. Gerard Sweeney receives a cash payment in lieu of pension contributions.

The above table does not include the value of share options or share awards to or held by the Directors.

WARRANT INSTRUMENT

	Scheme	31 March 2021	Granted	Exercised	31 March 2022	Exercise price (pence)
Peter Cowgill	CSOP	186,355	—	—	186,355	80.50

The warrants are exercisable from 28 July 2017 to the earlier of their full exercise, Peter Cowgill ceasing to be a Director or the takeover of the Company. Further details of the warrant instrument are outlined in Note 23 of the financial statements.

OPTIONS GRANTED UNDER THE CSOP

	Scheme	31 March 2021	Granted	Exercised	31 March 2022	Exercise price (pence)
Gerard Sweeney	CSOP	180,600	—	—	180,600	15.75
	CSOP	—	9,150	—	9,150	17.00
	ESOP	—	190,850	—	190,850	17.00
		180,600	200,000	—	380,600	

The above options vest after three years and have no performance conditions, other than the continued employment of the option holder. Further details of the CSOP are outlined in Note 23 of the financial statements.

EXTERNAL NON-EXECUTIVE DIRECTOR POSITIONS

The Company allows Executive Directors to hold external directorships subject to agreement by the Chair on a case-by-case basis and, at the discretion of the Committee, to retain the fees received from those roles.

SHARE PRICE INFORMATION

The market price of the QUIZ plc ordinary shares at 31 March 2022 was 10.75 pence and the range during the year was 9.00–24.60 pence.

STATEMENT OF DIRECTORS' SHAREHOLDINGS AND SHARE INTERESTS

The interests of the Directors and their immediate families in the Group's ordinary shares as at 31 March 2021 were as follows:

	Beneficially owned		Unvested outstanding share awards	
	2022	2021	2022	2021
Executive Directors				
Tarak Ramzan	25,313,539	25,313,539	—	—
Gerard Sweeney	12,422	12,422	380,600	180,600
Sheraz Ramzan	6,579,334	6,579,334	—	—
Non-Executive Directors				
Peter Cowgill	93,168	93,168	186,355	186,355
Charlotte O'Sullivan	6,213	6,213	—	—
Roger Mather	12,422	12,422	—	—

ROGER MATHER

REMUNERATION COMMITTEE CHAIR

4 July 2022

DIRECTORS' REPORT

**GERARD SWEENEY**

COMPANY SECRETARY

The Directors present their Annual Report on the affairs of the Group, together with the financial statements and Auditors' Report, for the year ended 31 March 2022.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of a holding company. The principal activity of its subsidiary undertakings is that of retailing clothes.

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 the IFC to page 31 provides this commentary and these are incorporated by cross-reference and form part of this report.

RESULTS AND DIVIDENDS

Results for the year ended 31 March 2022 are set out in the consolidated statement of comprehensive income on page 56. No dividends were paid in the current or prior year and no final dividend is recommended.

DIRECTORS

The biographies of the Directors in office at the date of this report are set out on pages 34 to 35.

Details of the Directors' beneficial interests are set out in the Directors' Remuneration Report on page 42.

The Company has purchased directors' and officers' liability insurance during the year as allowed by the Company's Articles.

SHARE CAPITAL AND SUBSTANTIAL SHAREHOLDERS

Details of the issued share capital, together with details of the movements during the year, are shown in Note 22 to the financial statements. The Company has one class of ordinary share and each ordinary share carries the right to one vote at general meetings of the Company.

At 31 March 2022 the Company had been notified of the following substantial shareholders comprising 3% or more of the issued ordinary share capital of the Company:

	% of issued share capital held
Tarak Ramzan	14.3
Stonehage Fleming & Partners	12.0
Schroder Investment Management Limited	11.0
Interactive Investor	7.2
Omar Aziz	6.4
Kasim Akram	6.3
Nusrat Ramzan	6.1
Hargreaves Lansdown Asset Management	6.0
Sheraz Ramzan	5.3
Mussarat Ramzan	5.2
Haris Ramzan	5.0

FINANCIAL RISK MANAGEMENT

Details of financial risk management, objectives and policies are detailed in Note 27 to the financial statements.

DIRECTORS' REPORT CONTINUED

GOING CONCERN

The Group's going concern statement can be found in the Basis of preparation section in Note 1 to the financial statements.

POST-BALANCE SHEET EVENTS

There are no material post-balance sheet events to be disclosed.

FUTURE DEVELOPMENTS

The Strategic Report on the IFC to page 31 sets out the likely future developments of the Group.

POLITICAL DONATIONS

No political donations were made during the year under review (2021: £Nil).

ENGAGEMENT WITH STAKEHOLDERS

The Board's responsibilities to promote the success of the Group are outlined in the Section 172 Statement on pages 28 to 31. Whilst not a requirement under Jersey Company law, disclosures are presented in line with the requirements of Section 172 of the United Kingdom Companies Act 2006, as modified by the Companies (Miscellaneous Reporting) Regulations 2018.

STREAMLINED ENERGY AND CARBON REPORTING

Our Streamlined Energy and Carbon Reporting is set out in the Social Responsibility section of this report.

EMPLOYEE INVOLVEMENT

The Directors recognise that communication with the Group's employees is essential and the Group places importance on the contributions and views of its employees. Details of employee involvement are set out in the Social Responsibility Report on pages 24 to 27 and Section 172 Statement on pages 28 to 31.

DISABLED EMPLOYEES

Details of the Group's policy in relation to disabled employees are set out in the Social Responsibility Report on pages 24 to 27.

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 Auditors' 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.

AUDITORS

The auditors, RSM UK Audit LLP, have indicated their willingness to continue in office and a resolution seeking to re-appoint them will be proposed at the AGM. This Directors' Report was approved by the Board of Directors and authorised for issue on 4 July 2022.

ANNUAL GENERAL MEETING

The Company's AGM will be held on 20 September 2022.

GERARD SWEENEY

COMPANY SECRETARY

4 July 2022



DIRECTORS' RESPONSIBILITIES STATEMENT

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

Jersey company law requires the Directors to prepare Group financial statements for a period of not more than 18 months in accordance with generally accepted accounting principles. The Directors are required by the AIM Rules of the London Stock Exchange and have elected under Jersey company law to prepare the Group financial statements in accordance with UK-adopted International Accounting Standards.

The financial statements of the Group are required by law to give a true and fair view of the state of the Group's affairs at the end of the financial period and of the profit or loss of the Group for that period and are required by UK-adopted International Accounting Standards to present fairly the financial position and performance of the Group.

In preparing the Group financial statements, the Directors should:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK-adopted International Accounting Standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping accounting records which are sufficient to show and explain the Group's transactions and are such as to disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the requirements of the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Quiz plc website.

Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board

TARAK RAMZAN
CHIEF EXECUTIVE

GERARD SWEENEY
CHIEF FINANCIAL OFFICER
4 July 2022



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INDEPENDENT AUDITOR'S REPORT

To the members of Quiz PLC

OPINION

We have audited the financial statements of Quiz plc and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted International Accounting Standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's affairs as at 31 March 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with UK-adopted International Accounting Standards; and
- have been properly prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

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 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	<ul style="list-style-type: none"> • Valuation of inventory.
Materiality	<ul style="list-style-type: none"> • Overall materiality: £591,000 (2021: £509,000) • Performance materiality: £295,000 (2021: £382,000)
Scope	<ul style="list-style-type: none"> • Our audit procedures covered 100% of revenue, 90% of total assets and 89% of profit 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 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 financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of inventory

Key audit matter description (as noted in the critical estimates and judgments section of the financial statements on pages 65 and 66)	<p>The Group purchases a significant quantity of its inventory from overseas suppliers. The impact of foreign exchange movements, together with the inherent nature of the goods which are typically subjected to high stock-turn, increases the risk that unit costs are not accurately reflected in the underlying stock records, meaning the cost against which net realisable value is compared may be incorrectly recorded in the underlying stock records.</p> <p>Given the industry in which the group operates there is a risk of stock becoming out-of-fashion if it is not sold in a timely manner. As a result, there is an increased risk that stock is not carried at the lower of cost and net realisable value.</p> <p>The group has made provision for anticipated slow moving and unsaleable stock based upon the ageing profile of stock lines and on future anticipated demand of the most recent stock lines.</p> <p>Provision of £2,550,000 (2021: £3,688,000) has been made against stock, leaving a carrying value of £11,710,000 (2021: £11,087,000). This provisioning has been made based on the ageing of stock lines and anticipated sell through.</p>
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KEY AUDIT MATTERS continued

How the matter was addressed in the audit	<p>We documented and reconfirmed our understanding of the group's policies in relation to the measurement of unit cost, classification of current trends/seasons and the determination and application of provisions against the carrying value of stock.</p> <p>We completed tests of detail to test the unit cost for a sample of stock lines to source documentation from suppliers and compared that value to proceeds from subsequent sales.</p> <p>We reviewed post year end sales volumes and prices to test whether the provision applied by management is free from material misstatement either as a result of error or bias.</p> <p>We reviewed and challenged the reasonableness and appropriateness of the policy and current year's inventory provision.</p> <p>We also considered the reasonableness of the prior year inventory provision by reviewing trading during the period.</p>
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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:

Overall materiality	£591,000 (2021: £509,000)
Basis for determining overall materiality	A materiality percentage of 1% of revenue (which has been normalised over 2 years) is in line with internal research of listed entity materiality benchmarks.
Rationale for benchmark applied	Following periods of lockdown management and stakeholders are focused on growing revenues.
Performance materiality	£295,000 (2021: £382,000)
Basis for determining performance materiality	50% of overall materiality
Reporting of misstatements to the Audit Committee	Misstatements in excess of £30,000 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 8 components, all of which are based in the UK with operations in ROI.

The coverage achieved by our audit procedures was:

	Number of components	Revenue	Total assets	Profit before tax
Full scope audit	2	91%	86%	83%
Specific audit procedures	4	9%	4%	6%
Total	6	100%	90%	89%

Analytical procedures at group level were performed for the remaining 2 components.

INDEPENDENT AUDITOR'S REPORT CONTINUED

To the members of Quiz PLC

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's ability to continue to adopt the going concern basis of accounting included:

- review of management's approved board paper which set out the going concern basis, key forecasting assumptions, sensitivities and conclusion;
- obtaining copies of management's forecasts and sensitivity analysis for the Group and checking the mathematical accuracy of the forecasts;
- assessment of the forecasts compared to historical trading results and challenge to the key assumptions for expected growth, margin improvement and capital expenditure plans;
- undertaking our own stress test to consider circumstances under which headroom would be eroded; and
- verifying the committed facilities available to the Group for the forecast period and the headroom this provided to the Group.

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

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

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the parent company or proper returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have failed to obtain any information or explanation that, to the best of our knowledge and belief, was necessary for our audit.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement set out on page 47, 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 ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group 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 operates in and how the group is 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; and
- 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.

INDEPENDENT AUDITOR'S REPORT CONTINUED

To the members of Quiz PLC

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS continued

The most significant laws and regulations were determined as follows:

Legislation/Regulation	Additional audit procedures performed by the Group audit engagement team included:
UK-adopted International Accounting Standards and Companies (Jersey) Law 1991	Review of the financial statement disclosures and testing to supporting documentation; Completion of disclosure checklists to identify areas of non-compliance.

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	We documented and carried out walk through tests on the systems and controls relevant to revenue and tested the amounts reported in the financial statements using data analytics and tests of detail.
Management override of controls	<ul style="list-style-type: none"> • 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 included in appendix 1 of this auditor's report.

USE OF OUR REPORT

This report is made solely to the company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. 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.

GRAHAM BOND FCA

FOR AND ON BEHALF OF RSM UK AUDIT LLP, AUDITOR

CHARTERED ACCOUNTANTS

14TH FLOOR

20 CHAPEL STREET

LIVERPOOL

L3 9AG

4 July 2022

APPENDIX 1: AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. We include an explanation in the auditor's report of the extent to which the audit was capable of detecting irregularities, including fraud.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that the use of the going concern basis of accounting is appropriate and no material uncertainties have been identified, we report these conclusions in the auditor's report. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, including the FRC's Ethical Standard as applied to listed entities, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2022

	Notes	2022 £000	2021 £000
Continuing operations			
Revenue	2	78,371	39,703
Cost of sales		(31,074)	(18,516)
Gross profit		47,297	21,187
Administrative costs		(36,578)	(30,476)
Distribution costs		(10,820)	(8,304)
Government grants	3	1,010	8,163
Other operating income		1	70
Total operating costs		(46,387)	(30,547)
Operating profit/(loss)	5	910	(9,360)
Gain arising on disposal of subsidiary undertaking	6	—	10,364
Gain on bargain purchase arising on acquisition	7	—	5,216
Profit before financing and taxation		910	6,220
Finance income	8	—	45
Finance costs	8	(122)	(239)
Profit before income tax		788	6,026
Income tax credit	9	1,261	186
Profit for the year		2,049	6,212
Other comprehensive income			
Foreign currency translation differences – foreign operations		(20)	(20)
Profit and total comprehensive income for the year attributable to owners of the parent		2,029	6,192
Profit per share			
Basic and diluted earnings per share	10	1.65p	5.00p

All of the above income is attributable to the shareholders of the parent company.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2022

	Notes	31 March 2022 £000	31 March 2021 £000
Assets			
Non-current assets			
Property, plant and equipment	12	3,985	5,218
Right-of-use assets	13	1,108	2,981
Intangible assets	14	2,782	3,413
Deferred tax assets	20	964	74
Total non-current assets		8,839	11,686
Current assets			
Inventories	15	11,710	11,087
Trade and other receivables	16	6,425	3,590
Cash and cash equivalents	24	5,840	4,183
Total current assets		23,975	18,860
Total assets		32,814	30,546
Liabilities			
Current liabilities			
Trade and other payables	17	(11,466)	(8,202)
Loans and borrowings	18	(1,420)	(2,662)
Lease liabilities	13	(954)	(1,866)
Derivative financial liabilities	19	(65)	(21)
Total current liabilities		(13,905)	(12,751)
Non-current liabilities			
Lease liabilities	13	(185)	(1,099)
Deferred tax liabilities	20	(21)	(74)
Total non-current liabilities		(206)	(1,173)
Total liabilities		(14,111)	(13,924)
Net assets		18,703	16,622
Equity			
Called-up share capital	22	373	373
Share premium	22	10,315	10,315
Merger reserve	22	1,130	1,130
Retained earnings	22	6,885	4,804
Total equity attributable to the owners of the parent company		18,703	16,622

These financial statements of QUIZ plc, registered number 123460, on pages 56 to 80 were approved by the Board of Directors and authorised for issue on 4 July 2022 and were signed on its behalf by:

TARAK RAMZAN
CHIEF EXECUTIVE
4 July 2022

GERARD SWEENEY
CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2022

	Notes	Share capital £000	Share premium £000	Merger reserve £000	Retained earnings £000	Total £000
At 1 April 2020		373	10,315	915	(1,477)	10,126
Profit and total comprehensive income for the year		—	—	—	6,192	6,192
Share-based payments charge	23	—	—	—	89	89
Movement arising from administration of subsidiary	22	—	—	215	—	215
At 31 March 2021		373	10,315	1,130	4,804	16,622
Profit and total comprehensive income for the year		—	—	—	2,029	2,029
Share-based payments charge	23	—	—	—	52	52
At 31 March 2022		373	10,315	1,130	6,885	18,703

All equity is attributable to the owners of the parent for both financial years.

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 March 2022

	Notes	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Cash flows from operating activities			
Cash generated by operations			
Profit before tax for the year		2,049	6,212
Adjusted for:			
Depreciation of property, plant and equipment		1,522	2,153
Depreciation of right-of-use assets		1,873	1,447
Amortisation of intangible assets		832	868
Gain from disposal of subsidiary undertaking		—	(10,364)
Gain from acquisition		—	(5,216)
Share-based payment charges		52	89
Exchange movement		(20)	(3)
Finance cost expense		122	194
Income tax credit		(1,261)	(186)
Increase in inventories		(623)	(1,486)
(Increase)/decrease in receivables		(2,454)	2,517
Increase in payables		3,308	1,266
Net cash generated from operating activities		5,400	(2,509)
Interest paid		(40)	(55)
Income taxes refunded/(paid)		(62)	97
Net cash inflow/(outflow) from operating activities		5,298	(2,467)
Cash flows from investing activities			
Payments to acquire intangible assets		(200)	(220)
Payments to acquire property, plant and equipment		(290)	(101)
Payment to acquire trade and assets		—	(1,302)
Interest received		—	45
Net cash outflow from investing activities		(490)	(1,578)
Cash flows from financing activities			
Loans received		14	1,406
Payment of lease liabilities		(1,908)	(1,316)
Net cash (outflow)/inflow from financing activities	24	(1,894)	90
Net increase/(decrease) in cash and cash equivalents	24	2,914	(3,955)
Cash and cash equivalents at beginning of year		2,927	6,897
Effect of foreign exchange rates		(1)	(15)
Cash and cash equivalents at end of year	25	5,840	2,927

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

NOTES TO THE GROUP FINANCIAL STATEMENTS

Year ended 31 March 2022

1 SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

QUIZ plc (the "parent company") is a public limited company, incorporated and domiciled in Jersey. It is listed on AIM. The registered office of the Company is 22 Grenville Street, St Helier, Jersey, Channel Islands E4 8PX, and the principal activities and nature of the Group's operations are set out in the Strategic Report on the IFC to page 31.

These financial statements for the year ended 31 March 2022 have been prepared in accordance with UK-adopted International Accounting Standards and the Companies (Jersey) Law 1991.

These are presented 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 thousand. Foreign operations are included in accordance with the policies set out below.

The annual financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities which are carried at fair value.

The preparation of financial statements in accordance with UK-adopted International Accounting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported year. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries, the "Group") made up to 31 March each year. Control is achieved where the Company is exposed or has the right to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. Intragroup balances are repayable on demand.

Business combinations

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.

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 comprehensive income statement.

Going concern

The Directors have prepared a detailed forecast with a supporting business plan for the foreseeable future to determine whether the Group will have adequate resources to enable it to operate as a going concern for the foreseeable future.

When preparing this forecast, the Directors considered the current trading levels, which have been consistent with management's expectation, and the outlook for the Group against their detailed base case scenario and further downside scenarios.

At 31 March 2022, the Group had cash net of bank borrowings of £4.4 million, being a £5.8 million cash balance offset by a bank loan of totalling £1.4 million, and £2.1 million of unutilised banking facilities (2021: £1.5 million of net cash and £0.9 million of unutilised banking facilities).

Borrowing facilities

The Group has £3.5 million of banking facilities, which were recently extended until 30 June 2023. These facilities comprise a £2.0 million overdraft and £1.5 million working capital facility. There are no financial covenants associated with these facilities, which are reviewed annually. Whilst the facilities are repayable on demand the Directors believe that these facilities will be available to the Group through to 30 June 2023 and will be renewed in due course.

The Group had a cash balance of £8.3 million at 4 July 2022 and £3.5 million of unutilised banking facilities.

1 SIGNIFICANT ACCOUNTING POLICIES continued

Going concern continued

Forecast scenarios

The Directors have reviewed management's business plan forecast for the period to 31 March 2023. The forecasts have been produced on the following basis:

- Base case scenario assumes stores and concessions are open throughout the period under review. A sales recovery is assumed to levels consistent with those generated prior to COVID-19 on a like-for-like basis throughout the period under review for stores and concessions. Web sales are assumed to be at a level similar to those generated prior to COVID-19. The assumed sales levels are consistent with those currently achieved.
- Downside scenario assumes reduced sales across the next year to reflect reduced demand including assumed reductions in store and concessions sales of 10% on a like-for-like basis. Online sales are assumed to be 10% below their base case scenario.

Within each forecast, management have reflected outstanding financial commitments and the impact of previously realised cost savings. There are no further anticipated savings incorporated in response to any downside scenario for reduced revenues. Further actions could be undertaken to mitigate against any shortfalls arising from these scenarios. These include reducing operating costs and capital expenditure, ceasing or suspending loss-making activities and optimising working capital.

The Base Case and Downside scenario forecasts indicate the Group will remain within its available borrowing facilities through the forthcoming twelve-month period. Under the downside scenario the Group has more than £4.5 million available liquidity headroom throughout the period under consideration.

Going concern basis

Based on the assessment outlined above, the Directors have a reasonable expectation that the Group has access to adequate resources to enable it to continue to operate as a going concern for the foreseeable future, being a period of at least twelve months from the date when these financial statements are authorised to be issued. For these reasons, the Directors consider it appropriate for the Group to continue to adopt the going concern basis of accounting in preparing the Annual Report and financial statements. Accordingly, the financial statements of the Group have been prepared on a going concern basis in accordance with UK-adopted International Accounting Standards and the Companies (Jersey) Law 1991.

Intangible assets

Goodwill

The goodwill arose when Shoar (Holdings) Limited acquired the entire share capital of Tarak Retail Limited in 2012 and reflects the difference between the fair value of the consideration transferred and the fair value of assets and liabilities 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.

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 5 and 10 years
Trademarks	10 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 statement of comprehensive income.

Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses. Depreciation is provided on all property, plant and equipment, at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight-line basis over its expected useful life, as follows:

Leasehold improvements	straight-line over the life of the lease
Computer equipment	between 5 and 15 years
Fixtures, fittings and equipment	between 5 and 15 years
Motor vehicles	between 4 and 5 years

All depreciation has been charged to administrative expenses in the statement of comprehensive income.

Low value leases

Where the lease term is twelve months or less and the lease does not contain an option to purchase the leased asset, lease payments are recognised as an expense on a straight-line basis over the lease term.

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

Year ended 31 March 2022

1 SIGNIFICANT ACCOUNTING POLICIES continued**Right-of-use assets and lease liabilities**

The Group recognises right-of-use assets and lease liabilities at the lease commencement date. The lease liabilities are initially measured at the present value of the lease payments that are not yet paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses the incremental borrowing rate as the discount rate and this rate is determined on a portfolio basis and based on the lease term, in relation to asset type and location.

Lease liabilities are subsequently measured at amortised cost and are increased by the interest charge and decreased by the lease payments made. Lease liabilities are remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee or, as appropriate, changes in the assessment of whether a renewal or purchase option is reasonably certain to be exercised or a break clause is reasonably certain not to be exercised. The Group has applied judgement to determine the lease term for those lease contracts that include a renewal or break option.

A lease modification is a change that was not part of the original terms and conditions of the lease and is accounted for as a separate lease if it increases the scope of the lease by adding the right to use one or more additional assets with a commensurate adjustment to the payments under the lease.

For a lease modification not accounted for as a separate lease, the lease liability is adjusted for the revised lease payments, discounted using a revised discount rate. The revised discount rate used is the interest rate implicit in the lease for the remainder of the lease term, or if that rate cannot be readily determined, the lessee company's incremental borrowing rate at the date of the modification.

Where the lease modification decreases the scope of the lease, the carrying amount of the right-of-use asset is reduced to reflect the partial or full termination of the lease. Any difference between the adjustment to the lease liability and the adjustment to the right-of-use asset is recognised in profit or loss.

For all other lease modifications, the adjustment to the lease liability is recognised as an adjustment to the right-of-use asset.

Right-of-use assets are initially measured at cost, which is an amount equal to the corresponding lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs and dismantling or restoration costs, less any lease incentives received.

Right-of-use assets are subsequently measured at cost less any accumulated depreciation and impairment losses, adjusted for certain remeasurements of the lease liabilities. Depreciation is calculated on a straight-line basis over the expected useful economic life of a lease which is taken as the lease term.

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. The value-in-use calculation for store CGUs is based on the remaining lease length of each store.

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 an individual retail store to be a CGU, and in the current year have performed an impairment review for each CGU. The discount rate used in the value-in-use calculation is the Group's weighted average cost of capital of 10% (2021: 10%).

For the year ended 31 March 2022 no impairment charge is required (2021: £Nil).

Revenue recognition

Revenue is recognised at fair value of the consideration received or receivable for the sale net of discounts and value added tax.

Retail revenue is recognised when a Group entity sells a product to a customer. Wholesale revenue is recognised when title has passed in accordance with the individual terms of trade. For retail and wholesale revenue, the primary performance obligation is the transfer of goods to the customer. For retail revenue, this is considered to occur when control of the goods passes to the customer. For store and concession retail revenue, control transfers when the customer takes possession of the goods in store or concession and pays for the goods. For online retail revenue, control is considered to transfer when the goods are dispatched for delivery to the customer. The timing of transfer of control of the goods in wholesale transactions depends upon the terms of trade in the contract. Principally for wholesale revenue, revenue is recognised either when goods are dispatched from the Group's distribution centres, or when the Group has delivered the goods to the location specified in the contract.

Sales of gift vouchers are treated as future liabilities, and revenue is recognised when the gift vouchers are redeemed against a later transaction.

1 SIGNIFICANT ACCOUNTING POLICIES continued

Revenue recognition continued

Returns

Cash refunds are available to customers returning unwanted products with proof of purchase within 14 days of the date of purchase in store and within 28 days from the date of receipt for online sales.

Present obligations for the actual and estimated customer returns are recognised and measured as provisions when it is probable that the Group will be required to settle the obligation under sales contracts. Returns provisions in existence at the balance sheet date are expected to be utilised within twelve months; the provision is recalculated at each balance sheet date taking into account recent sales and anticipated levels of returns.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in the Income Statement on a systematic basis over the periods in which the Group recognises expenses and related costs for which the grants are intended to compensate. The receipt of Government grants in respect of the Coronavirus Job Retention Scheme are included as other operating income in the period when the employee wages, which are supplemented by the grant payment, are paid.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other years or never taxable or deductible. Current tax assets and liabilities are measured using the tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised using the balance sheet liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amount in the historical financial information. Deferred tax is calculated at the tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date.

Deferred tax assets and liabilities are offset against each other when there is a legally enforceable right to set off current tax assets against current tax liabilities and it is the intention to settle these on a net basis.

Current and deferred tax is charged or credited in the profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction for the event it relates to and is also charged or credited to other comprehensive income or equity.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis. At each reporting date, the impairment of stock is assessed. Any excess of the carrying amount of stocks over its estimated selling price is recognised as an impairment loss in profit or loss.

Finance income and finance costs

Finance income and finance costs include interest income and expense. Interest income is accrued on a time-apportioned basis, by reference to the principal outstanding at the effective interest rate.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or are capitalised as an intangible fixed asset or property, plant and equipment.

Retirement benefits

The subsidiaries operate defined contribution pension schemes. For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions paid are shown as either accruals or prepayments.

Foreign currency transactions

Functional and presentation currency

The individual financial statements of each subsidiary are presented in the currency of the primary economic environment in which it operates (its functional currency). For the consolidated financial statements, the results and financial position of each subsidiary are expressed in Pounds Sterling, which is the functional currency of the Company and the presentation currency for the consolidated statements.

Transactions and balances

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in opening currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

Year ended 31 March 2022

1 SIGNIFICANT ACCOUNTING POLICIES continued**Foreign currency transactions** continued**Transactions and balances** continued

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

Provisions

Provisions are recognised when there is an obligation at the reporting date arising from a past event from which it is considered probable that a transfer of economic benefits will occur and that obligation can be reasonably estimated.

Provisions are measured at the best estimate of the amounts required to settle the obligation. When the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risk specific to the liability. The unwinding of the discount is recognised within finance costs.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, being the Board of Directors. The chief operating decision maker is responsible for allocating resources and assessing performance of operating segments.

The Directors consider that there are no identifiable business segments that are subject to risks and returns different to the core business. The information reported to the Directors, for the purposes of resource allocation and assessment of performance, is based wholly on the overall activities of the subsidiaries.

The Directors have therefore determined that there is only one reportable segment under IFRS 8. The results and assets for this segment can be determined by reference to the statement of comprehensive income and statement of financial position.

Financial instruments**Recognition of financial instruments**

Financial assets and financial liabilities are recognised when the Group becomes party to the contractual provisions of the instrument.

Financial assets**Initial and subsequent measurement of financial assets**

Trade receivables are initially measured at their transaction price. Group and other receivables are initially measured at fair value plus transaction costs. Receivables are held to collect the contractual cash flows which are solely payments of principal and interest. Therefore, these receivables are subsequently measured at amortised cost using the effective interest rate method.

Impairment of financial assets

An impairment loss is recognised for the expected credit losses on financial assets when there is an increased probability that the counterparty will be unable to settle an instrument's contractual cash flows on the contractual due dates, a reduction in the amounts expected to be recovered, or both.

The probability of default and expected amounts recoverable are assessed using reasonable and supportable past and forward-looking information that is available without undue cost or effort. The expected credit loss is a probability-weighted amount determined from a range of outcomes and takes into account the time value of money.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

Trade receivables

For trade receivables, expected credit losses are measured by applying an expected loss rate to the gross carrying amount. The expected loss rate comprises the risk of a default occurring and the expected cash flows on default based on the ageing of the receivable. The risk of a default occurring always takes into consideration all possible default events over the expected life of those receivables. Different provision rates are used based on groupings of historical credit loss experience by product type, customer type and location. Trade receivables are considered to be in default on an individual basis, based on various indicators, such as significant financial difficulty or expected bankruptcy.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Initial and subsequent measurement of financial liabilities

Trade, Group and other payables are initially measured at fair value, net of direct transaction costs, and subsequently measured at amortised cost.

Bank borrowings and bank overdrafts

Interest-bearing bank loans and bank overdrafts are initially measured at fair value, net of direct transaction costs, and are subsequently measured at amortised cost. Finance charges, including premiums payable on settlement or redemption, are recognised in profit or loss over the term of the loan using an effective rate of interest.

1 SIGNIFICANT ACCOUNTING POLICIES continued

Financial instruments continued

Financial liabilities and equity continued

Equity instruments

Equity instruments issued by the Company are recorded at fair value on initial recognition net of transaction costs.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

Derecognition of financial assets (including write-offs) and financial liabilities

A financial asset (or part thereof) is derecognised when the contractual rights to cash flows expire or are settled, or when the contractual rights to receive the cash flows of the financial asset and substantially all the risks and rewards of ownership are transferred to another party.

When there is no reasonable expectation of recovering a financial asset it is derecognised ("written off"). The gain or loss on derecognition of financial assets measured at amortised cost is recognised in profit or loss. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires. Any difference between the carrying amount of a financial liability (or part thereof) that is derecognised and the consideration paid is recognised in profit or loss.

Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency exposures. The Directors do not follow hedge accounting principles. Derivative financial instruments are recorded at fair value at the end of each reporting year with gains and losses recorded in the statement of comprehensive income.

Share-based payments

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 23.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest. At each balance sheet date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

If employees surrender their rights to previously granted equity instruments, the fair value of the equity-settled share-based payment not previously expensed in the statement of comprehensive income is expensed.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At each balance sheet date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

Critical accounting 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:

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

Year ended 31 March 2022

1 SIGNIFICANT ACCOUNTING POLICIES continued**Critical accounting estimates and judgements** continued**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 year, 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 50% of inventory that is more than three seasons old and providing for 100% 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 10% of the remaining inventory in the current year. Given this approach the provision for aged inventory totalled £2,550,000 at 31 March 2022 (2021: £3,688,000).

Returns provision

The accounting estimate related to the return of stocks sold online is susceptible to changes from period to period. The value of expected returns of £1,298,000 (2021: £979,000) is estimated using recent past experience and a review of returns received post-year-end. The provision reflecting the impact of these anticipated returns on the income statement is included in the other payables balance.

Non-recurring items

Non-recurring items are separately reported as the Directors believe that this helps provide a better indication of the underlying performance of the Group. Judgement is required in determining whether an item should be classified as non-recurring or included within underlying results. This assessment covers the nature, the materiality and the recurrence of the item on reported performance. Reversals of previous non-recurring items are assessed based on the same criteria. Further detail is provided below in Notes 6 and 7.

New standards, amendments and interpretations adopted by the Group

Where applicable, the Group have adopted new accounting standards, amendments or interpretations effective for the current financial year. The Group have not adopted any new or amended standards early. The impact of these standards is not considered material for the current financial year.

Accounting standards in issue but not yet effective

At the date of issue of these financial statements, 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.

2 REVENUE

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

	2022 £000	2021 £000
Online	26,742	21,621
International	14,862	7,592
UK Stores and concessions	36,767	10,490
	78,371	39,703
	2022 £000	2021 £000
United Kingdom	63,176	31,565
Rest of the world	15,195	8,138
	78,371	39,703

The Group did not have any customers that comprised more than 10% of revenues generated in both financial years.

As at 31 March 2022 non-current assets in the United Kingdom were £8,616,000 (2021: £11,528,000) with £223,000 (2021: £158,000) located in the rest of the world.

As disclosed in the accounting policies on page 60, the Directors have determined that there is only one reportable segment under IFRS 8.

3 GOVERNMENT GRANTS

	2022 £000	2021 £000
Government support – furlough payments	640	6,943
Government support – grant income	370	1,220
	1,010	8,163

4 EMPLOYEE BENEFIT EXPENSES

Employment costs and average monthly number of employees (including Directors) during the year were as follows:

	2022 £000	2021 £000
Wages and salaries	14,420	15,382
Social security costs	1,023	969
Other pension costs	302	299
Agency costs	2,065	939
Share-based payment charges	52	89
	17,862	17,678

	No.	No.
Retail	689	998
Distribution	37	46
Administration	196	206
	922	1,250

Included above is £679,000 in respect of Directors' remuneration (2021: £624,000). Further details on Directors' remuneration by individual can be found in the Directors' Remuneration Report on pages 42 to 44.

5 OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging/(crediting):

	2022 £000	2021 £000
Cost of inventories recognised as an expense	31,074	18,516
Distribution costs	10,820	8,304
Employment costs	17,862	17,678
Depreciation	3,395	3,600
Amortisation	832	868
Short-term and variable lease costs	2,105	430
Government grants	(1,010)	(8,163)
Other operating income	(1)	(70)
Other expenses	12,384	7,900
	77,461	49,063

Included in the above are the costs associated with the following services provided by the Company's auditors:

	2022 £000	2021 £000
Audit services		
Audit of the Company and the consolidated financial statements	18	12
Audit of the Company's subsidiaries	117	80
Total audit fees	135	92
All other services	4	1
Total fees payable to the Company's auditors	139	93

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

Year ended 31 March 2022

6 GAIN ARISING FROM DISPOSAL OF SUBSIDIARY UNDERTAKING

As at June 2020, the Group's 82 standalone stores in the United Kingdom and the Republic of Ireland were operated by Kast Retail Limited ("Kast"). The Group's three standalone stores in Spain were operated by Kast International Spain SL, a wholly owned subsidiary of Kast. On 10 June 2020, the Company announced proposals to restructure its standalone retail store portfolio which resulted in Kast being placed into administration and triggered the disposal of Kast by QUIZ plc which resulted in the gain below:

	£000
Disposal proceeds	—
Net liabilities of subsidiary undertaking disposed of	(10,364)
Gain arising on disposal of subsidiary undertaking	(10,364)

The net liabilities of the disposed subsidiary undertaking primarily related to lease liabilities in relation to leases associated with standalone stores.

7 GAIN ON BARGAIN PURCHASE ARISING ON ACQUISITION

Further to the appointment of joint administrators to Kast, Zandra Retail Limited ("Zandra"), a wholly owned subsidiary of the Company, acquired the business and certain assets of Kast, including inventories, fixtures and fittings, contracts and vehicles on 10 June 2020 for a cash consideration of £1,302,000.

Whilst none of the leases associated with the standalone stores operated by Kast transferred to Zandra, new lease arrangements were secured for the majority of the previous standalone stores.

The acquired business contributed revenues of £5,975,000 and profit after tax of £1,117,000 to the Group for the period from 10 June 2020 to 31 March 2021. As the trade acquired was operated by the Group for the whole reporting period the revenue and loss for the combined entity as though the acquisition date had been the beginning of the period are those shown in the consolidated income statement.

The gain on bargain purchase amounting to £5,216,000 on the acquisition, which arose as the deemed fair value of the assets acquired were greater than the consideration paid, has been recognised in the Statement for Comprehensive Income for the prior year.

Details of the acquisition are as follows:

	Fair Value £000
Receivables	266
Property, plant and equipment	5,429
Intangibles	1,199
Inventories	2,420
Trade payables	(2,036)
Employee benefits	(365)
Other liabilities	(395)
Net assets acquired	6,518
Gain on bargain purchase	(5,216)
Fair value of the total consideration transferred	1,302
Represented by:	
Cash paid to the vendor	1,302

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 costs of the acquisition recognised as an expense as part of administration costs amounted to £194,000.

8 FINANCE INCOME AND EXPENSE

	2022 £000	2021 £000
Interest on cash deposits	—	45
Finance income	—	45
	2022 £000	2021 £000
Interest on lease liabilities	82	199
Interest on loans and overdrafts	40	38
Other interest	—	2
Finance expense	122	239

9 INCOME TAX

	2022 £000	2021 £000
UK corporation tax – current year	—	—
UK corporation tax – prior year	(244)	(170)
Foreign tax	—	(9)
Deferred tax – current year	(1,088)	(200)
Deferred tax – prior year	71	193
Tax on profit	(1,261)	(186)
Reconciliation of effective tax rate		
Profit on ordinary activities before taxation	788	6,027
Profit on ordinary activities multiplied by standard rate of UK corporation tax of 19%	150	1,145
Expenses not deductible for tax purposes	42	(2,862)
Non-recognition of potential of deferred tax asset	—	1,494
Impact on deferred tax of increase in UK corporation tax rate	13	—
Recognition of deferred tax asset	(964)	—
Utilisation in current year of previously unrecognised deferred tax asset	(327)	—
Adjustments to previous years	(173)	23
Foreign tax adjustments	(2)	14
	(1,261)	(186)

10 EARNINGS PER SHARE

	2022 No.	2021 No.
Number of shares:		
Weighted number of ordinary shares outstanding – basic and diluted	124,230,905	124,230,905
Earnings:	£000	£000
Profit	2,049	6,212
Profit/(loss) adjusted	2,049	(9,368)
Earnings per share:	Pence	Pence
Basic earnings per share	1.65	5.00
Adjusted basic earnings/(loss) per share	1.65	(7.54)

The diluted basic and adjusted earnings per share is the same as the basic and adjusted earnings per share each year as the average share price during the year was less than the prices applicable to the outstanding options and therefore the outstanding options were not dilutive.

The adjusted loss after tax in the previous year is shown before the impact of the £15,580,000 of gains which arose from the disposal of a subsidiary undertaking which entered administration and the subsequent repurchase of its business and certain assets, as outlined in Notes 6 and 7.

The Directors believe that the adjusted profit/(loss) after tax and the adjusted earnings/(loss) per share measures provide additional useful information for shareholders on the underlying performance of the business. These measures are consistent with how underlying business performance is measured internally. The adjusted profit/(loss) after tax measure is not a recognised profit measure under IFRS and may not be directly comparable with adjusted profit measures used by other companies.

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

Year ended 31 March 2022

11 DIVIDENDS

No dividends in respect of 2022 are proposed (2021: £Nil).

12 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements £000	Motor vehicles £000	Computer equipment £000	Fixtures, fittings and equipment £000	Total £000
Cost					
At 1 April 2021	484	104	1,565	15,051	17,204
Additions	117	29	38	105	289
Disposals	—	—	(20)	(357)	(377)
At 31 March 2022	601	133	1,583	14,799	17,116
Depreciation					
At 1 April 2021	285	67	789	10,845	11,986
Charge	131	24	198	1,169	1,522
Disposals	—	—	(20)	(357)	(377)
At 31 March 2022	416	91	967	11,657	13,131
Net book value					
At 31 March 2022	185	42	616	3,142	3,985
At 31 March 2021	199	37	776	4,206	5,218

	Leasehold improvements £000	Motor vehicles £000	Computer equipment £000	Fixtures, fittings and equipment £000	Total £000
Cost					
At 1 April 2020	1,627	146	2,031	24,081	27,885
Additions	22	13	37	29	101
Disposals	(1,165)	(55)	(503)	(9,059)	(10,782)
At 31 March 2021	484	104	1,565	15,051	17,204
Depreciation					
At 1 April 2020	1,357	101	1,061	18,096	20,615
Charge	93	21	231	1,808	2,153
Disposals	(1,165)	(55)	(503)	(9,059)	(10,782)
At 31 March 2021	285	67	789	10,845	11,986
Net book value					
At 31 March 2021	199	37	776	4,206	5,218
At 31 March 2020	270	45	970	5,985	7,270

13 RIGHT-OF-USE ASSET AND LEASE LIABILITIES

	Property £000
Cost	
At 1 April 2021	4,153
Disposals	(281)
At 31 March 2022	3,872
Depreciation	
At 1 April 2021	1,172
Charge	1,873
Disposals	(281)
At 31 March 2022	2,764
Net book value	
At 31 March 2022	1,108
At 31 March 2021	2,981
	Property £000
Cost	
At 1 April 2020	32,218
Additions	4,153
Disposals	(32,218)
At 31 March 2021	4,153
Depreciation	
At 1 April 2020	29,226
Charge	1,447
Disposals	(29,501)
At 31 March 2021	1,172
Net book value	
At 31 March 2021	2,981
At 31 March 2020	2,992

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

	2022 £000	2021 £000
At 1 April 2021	2,965	16,338
Additions	—	4,153
Interest expense related to lease liabilities	82	199
Repayment of lease liabilities (including interest)	(1,908)	(1,316)
Leases terminated further to administration of subsidiary undertaking	—	(16,338)
Interest liability terminated further to administration of subsidiary undertaking	—	(71)
At 31 March 2022	1,139	2,965
Current lease liabilities	954	1,866
Non-current lease liabilities	185	1,099

The termination of leases arose further to Kast Retail Limited entering into administration during the previous year.

Short-term operating leases

At the balance sheet date, the Group had outstanding commitments for future minimum lease payments under non-cancellable leases which fall due as follows:

	2022 £000	2021 £000
Within one year	109	48

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

Year ended 31 March 2022

14 INTANGIBLES

	Goodwill £000	Computer software £000	Trademarks £000	Total £000
Cost				
At 1 April 2021	6,175	3,626	165	9,966
Additions	—	201	—	201
At 31 March 2022	6,175	3,827	165	10,167
Amortisation				
At 1 April 2021	5,248	1,245	60	6,553
Charge	—	815	17	832
At 31 March 2022	5,248	2,060	77	7,385
Net book value				
At 31 March 2022	927	1,767	88	2,782
At 31 March 2021	927	2,381	105	3,413
	Goodwill £000	Computer software £000	Trademarks £000	Total £000
Cost				
At 1 April 2020	6,175	4,085	165	10,425
Additions	—	220	—	220
Disposals	—	(679)	—	(679)
At 31 March 2021	6,175	3,626	165	9,966
Amortisation				
At 1 April 2020	5,230	1,090	44	6,364
Charge	18	834	16	868
Disposals	—	(679)	—	(679)
At 31 March 2021	5,248	1,245	60	6,553
Net book value				
At 31 March 2021	927	2,381	105	3,413
At 31 March 2020	945	2,995	121	4,061

The goodwill arose when Shoar (Holdings) Limited acquired the entire share capital of Tarak Retail Limited in 2012 and reflects the difference between the fair value of the consideration transferred and the fair value of assets and liabilities purchased. Goodwill is assessed for impairment by comparing the carrying value to value-in-use calculations. Value in use has been estimated using cash flow projections based on detailed budgets and forecasts over the period of three years, with a decline rate of 10% (2021: 5%) and a pre-tax discount rate of 10% (2021: 10%) applied, being the Directors' estimate of the Group's cost of capital, with no terminal value. 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. No reasonable change in any of the assumptions would result in an impairment charge and therefore no sensitivity analysis is disclosed. The Directors do not consider goodwill to be impaired in the current year.

15 INVENTORIES

	2022 £000	2021 £000
Finished goods and goods for resale	11,710	11,087

The cost of inventories recognised as an expense during the year in respect of continuing operations amounted to £31,074,000 (2021: £18,516,000). The cost of inventories included a net credit in respect of write-downs of inventory to net realisable value of £1,138,000 (2021: credit of £617,000). Inventories are stated after provisions for impairment of £2,550,000 (2021: £3,688,000).

16 TRADE AND OTHER RECEIVABLES

	2022 £000	2021 £000
Trade receivables – gross	3,948	2,265
Less allowance for expected credit losses (calculated under IFRS 9)	(327)	(301)
Trade receivables – net	3,621	1,964
Other receivables	422	769
Current tax receivable	380	–
Prepayments and accrued income	2,002	857
	6,425	3,590

The Directors consider that the fair value of trade and other receivables is not materially different from the carrying value. Standard payment terms with customers that receive credit are 28–30 days. Impairment losses on trade receivables are presented as net impairment losses within administrative costs. Further details regarding credit risk are disclosed in Note 27.

17 TRADE AND OTHER PAYABLES

	2022 £000	2021 £000
Trade payables	5,155	4,025
Other taxes and social security costs	979	1,562
Accruals	3,733	2,149
Other payables	1,591	458
Amounts due to related parties	8	8
	11,466	8,202

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The Directors consider that the fair value of trade and other payables is not materially different from the carrying value.

Included within other payables at the year-end date was a balance of £52,000 (2021: £52,000) owed to the Group's pension scheme.

18 LOANS AND BORROWINGS

	2022 £000	2021 £000
Bank loans	1,420	1,406
Bank overdrafts	–	1,256
Current	1,420	2,662

The Group's overdraft and other credit facilities amount to £3.5 million (2021: £3.5 million) and are secured by an unlimited multilateral and cross-company guarantee given by Zandra Retail Limited and Tarak International Limited and also by a limited guarantee given by, and by a floating charge over the assets of, Zandra Retail Limited and Tarak International Limited. The bank also holds a right of set-offs between Zandra Retail Limited and Tarak International Limited. All entities included in the guarantee are wholly owned subsidiaries in the Group. In addition, the Company has provided a parent company guarantee with respect to the facilities.

In addition, credit facilities are secured by a bond and floating charge from Tarak Retail Limited over the whole of its property and undertakings.

The bank overdraft and other credit facilities are annual facilities and are repayable on demand. These facilities were renewed after the year end and are next subject to review in June 2023.

Borrowings are denominated and repaid in Pounds Sterling, have contractual interest rates that are either fixed rates or variable rates linked to LIBOR that are not leveraged, and do not contain conditional returns or repayment provisions other than to protect the lender against credit deterioration or changes in relevant legislation or taxation.

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

Year ended 31 March 2022

19 DERIVATIVE FINANCIAL INSTRUMENTS

The following is an analysis of the derivative financial instruments liability:

	2022 £000	2021 £000
Foreign currency options	65	21

Forward foreign exchange contracts are used to hedge exposure to fluctuations in foreign exchange rates that arise in the normal course of the Group's business.

As at 31 March 2022, the Group had commitments to buy the equivalent of £5,200,000 of Chinese Renminbi (2021: £800,000).

20 DEFERRED TAX

The following is an analysis of the deferred tax assets:

	Tax losses £000	Fixed asset timing differences £000	Total £000
Balance at 1 April 2020	—	—	—
Credit to income statement	74	—	74
Balance at 31 March 2021	74	—	74
Transfer to trade and other receivables	(74)	—	(74)
Credit to income statement	634	330	964
Balance at 31 March 2022	634	330	964

The following is an analysis of the deferred tax liabilities:

	2022 £000	2021 £000
Accelerated capital allowances		
Balance brought forward	74	7
(Credit)/charge to income statement	(53)	67
Balance at end of year	21	74

At 31 March 2022 there was a total of unprovided deferred tax assets of £413,000 (2021: £990,000) in relation to fixed asset timing differences. The unprovided deferred tax assets reflects trading losses of Nil (2021: £3,868,000).

21 FINANCIAL INSTRUMENTS

The following table shows the carrying amounts and fair values of financial assets and liabilities. All financial liabilities, other than the derivative, are measured at amortised cost. The derivative liability, which is measured at fair value, is level 2 in the fair value hierarchy as disclosed in Note 19.

	2022 £000	2021 £000
Category of financial instruments		
Carrying value of financial assets:		
Cash and cash equivalents	5,840	4,183
Trade and other receivables	4,423	2,733
Total financial assets	10,263	6,916
Carrying value of financial liabilities:		
Trade and other payables	(6,754)	(4,491)
Bank and other borrowings	(1,420)	(2,662)
Derivative financial instruments	(65)	(21)
Lease liabilities	(1,139)	(2,965)
Total financial liabilities	(9,378)	(10,139)

The fair value and carrying value of financial instruments have been assessed and there is deemed to be no material differences between fair value and carrying value.

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.

22 SHARE CAPITAL AND RESERVES

	2022 £000	2021 £000
Share capital – allotted, called up and fully paid 124,230,905 ordinary shares of 0.3 pence each (2021: 124,230,905)	373	373
Share premium	10,315	10,315

Share capital

The issued share capital at 31 March 2022 comprised 124,230,905 ordinary shares of 0.3 pence each with a nominal value of £372,693.

The Company has one class of ordinary share which have equal right, preferences and restrictions.

Share premium

The share premium reserve contains the premium arising on the issue of equity shares, net of issue expenses incurred by the Company. On 28 July 2017, 6,583,851 ordinary shares of 0.3 pence each with a nominal value of £19,752 were issued at a price of 161 pence per share giving rise to a share premium of £10,315,248 (net of expenses).

Merger reserve

The merger reserve arose on the purchase of certain subsidiaries. The merger reserve represents the difference between the cost value of the shares acquired less the cost value of the shares issued for the purchase of each company and the stamp duty payable in respect of these transactions.

Retained earnings

The movement on retained earnings is as set out in the statement of changes in equity. Retained earnings represent cumulative profits or losses, net of dividends and other adjustments.

23 SHARE-BASED PAYMENTS

The movement in awards during the year was:

Date of grant	Opening balance	Granted during the year	Lapsed during the year	Closing balance	Exercise price Pence	Exercise period
	Number of shares					
Warrants	186,335	—	—	186,335	80.50	See below
CSOP – 31/7/19	1,530,097	—	(176,996)	1,353,101	15.75	31/7/22–31/7/29
CSOP – 18/1/22	—	1,407,150	(30,000)	1,377,150	17.00	18/1/25–18/1/32
ESOP – 18/1/22	—	190,850	—	190,850	17.00	18/1/25–18/1/32
	1,716,432	1,598,000	(206,996)	3,107,436		

None of the above options were exercisable at 31 March 2022 other than the warrants, which is consistent with 31 March 2021. The weighted average life of the CSOP options was 8.7 years (2021: 8.3 years) and 9.8 years for the ESOP options.

All share options were valued using the Black-Scholes model. Expected volatility was determined by management, using comparator volatility as a basis. The expected life of the options was determined based on management's best estimate. The expected dividend yield was based on the anticipated dividend policy of the Company over the expected life of the options. The risk-free rate of return input into the model was a zero-coupon Government bond with a life in line with the expected life of the options.

The inputs to the model were as follows:

Option plan	Warrant	CSOP	CSOP and ESOP
Grant date	28/07/17	31/07/19	18/1/22
Share price at grant date	80.50	15.75	17.00
Number of employees	1	72	38
Shares under option	186,335	1,530,097	1,598,000
Vesting period (years)	—	3	3
Expected volatility	31.4%	88.5%	100.1%
Risk-free rate	0.5%	0.5%	0.5%
Expected life (years)	2	4	4
Expectations of meeting performance criteria	100%	100%	100%
Expected dividend yield	2.0%	2.0%	2.0%

The Group recognised a total expense of £52,000 during the year (2021: £89,000) relating to equity-settled share-based payments, including employer's National Insurance contributions of £6,000 (2021: £11,000).

As at 31 March 2022, the weighted average exercise price of outstanding share options, excluding those exercisable as part of the Warrant Instrument, was 16.42 pence (2021: 15.75 pence).

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

Year ended 31 March 2022

23 SHARE-BASED PAYMENTS continued**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 different options vest after three years and have an exercise life between three and ten years from grant date. The exercise of the options is subject to continued employment over the vesting year.

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 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 different options vest after three years and have an exercise life between three and ten years from grant date. The exercise of the options is subject to continued employment over the vesting year.

Warrants

The Company entered into a Warrant Instrument with its Chairman, Peter Cowgill, dated 18 July 2017, pursuant to which Peter Cowgill may subscribe for up to 186,335 ordinary shares exercisable in whole or in part at a subscription price equal to 80.5 pence. The warrants are exercisable until the earlier of (i) their full exercise, (ii) Peter Cowgill ceasing to be a Director, or (iii) a takeover of the Company. At the year end, no Warrant Instruments had yet been exercised.

24 CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	2021 £000	Disposal £000	Cash flow £000	Non-cash changes £000	2022 £000
Cash at bank and in hand	2,927	—	2,914	(1)	5,840
Net cash per statement of cash flows	2,927	—	2,914	(1)	5,840
Borrowings	(1,406)	—	(14)	—	(1,420)
Net cash before lease liabilities	1,521	—	2,900	(1)	4,420
Lease liabilities	(2,965)	—	1,908	(82)	(1,139)
Net debt after lease liabilities	(1,444)	—	4,808	(83)	3,281

	2020 £000	Disposal £000	Cash flow £000	Non-cash changes £000	2021 £000
Cash at bank and in hand	6,897	—	(3,955)	(15)	2,927
Net cash per statement of cash flows	6,897	—	(3,955)	(15)	2,927
Borrowings	—	—	(1,406)	—	(1,406)
Net cash before lease liabilities	6,897	—	(5,361)	(15)	1,521
Lease liabilities	(16,338)	16,409	1,316	(4,352)	(2,965)
Net debt after lease liabilities	(9,441)	16,409	(4,045)	(4,367)	(1,444)

Non-cash changes relate to the translation of foreign currency balances at the end of the period and lease acquisitions, disposals, interest charges and modifications.

25 CASH AND CASH EQUIVALENTS

	2022 £000	2021 £000
Cash at bank and in hand	5,840	4,183
Overdraft	—	(1,256)
Net cash at bank and in hand	5,840	2,927

26 FINANCIAL COMMITMENTS**Capital commitments**

The Group has no capital commitments at 31 March 2022 (2021: £Nil) which were not provided for in the financial statements.

27 FINANCIAL RISK MANAGEMENT

The Group has exposure to credit, liquidity, market and capital management risk from its operations.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group, through its standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and connected companies.

The carrying amount of financial assets represents the maximum credit exposure.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate. The risk associated with receivables is mitigated by obtaining Standby Letters of Credit relating to a number of outstanding balances.

The maximum exposure to credit risk for trade receivables by geographic region was as follows:

	2022 £000	2021 £000
United Kingdom	2,446	1,030
Rest of the world	1,502	1,235
	3,948	2,265

The ageing of trade receivables that were not impaired was as follows:

	Carrying amount 2022 £000	Allowance for expected credit losses %	Allowance for expected credit losses £000
Not overdue	2,702	5%	135
0 to 3 months overdue	1,076	5%	54
3 to 6 months overdue	63	50%	31
Over 6 months overdue	107	100%	107
Closing balance	3,948	8%	327

The movement in the provision for impairment of receivables in the year was as follows:

	2022 £000	2021 £000
Opening provision	301	320
Release in the year	(20)	(248)
Provided for in the year	46	229
Closing provision	327	301

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

Year ended 31 March 2022

27 FINANCIAL RISK MANAGEMENT continued**Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Based on current cash flow projections, the Group expects to have sufficient headroom against its borrowing facilities. The basis of this assessment is outlined in Note 1.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities. The amounts are gross and undiscounted and include estimated interest repayments.

	Contractual cash flows			
	Total £000	2 months or less £000	2–12 months £000	More than 1 year £000
31 March 2022				
Bank loans	1,420	947	473	—
Trade payables	5,155	5,155	—	—
Accruals and other payables	5,332	5,332	—	—
Derivatives	65	10	55	—
Lease liabilities	1,163	269	688	206
	13,135	11,713	1,216	206
31 March 2021				
Bank loans	1,406	937	469	—
Bank overdraft	1,256	1,256	—	—
Trade payables	4,025	4,025	—	—
Accruals and other payables	2,615	2,615	—	—
Derivatives	21	4	17	—
Lease liabilities	3,084	322	1,590	1,172
	12,407	9,159	2,076	1,172

Interest rate risk

The loans and borrowings are sensitive to changes in interest rates. A 50-basis point change in the base rate would have an impact of £10,000 on the profit for the year ended 31 March 2022 (2021: £13,000 impact on profit for the year). A 50-basis point change in the Group's incremental borrowing rate would have a £8,000 impact on the lease liabilities balance at 31 March 2022 (2021: £64,000).

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of foreign currency risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Board of Directors.

The Group is exposed to currency risk to the extent that there is a fluctuation in the foreign exchange rate between the date of the transaction and the date when amounts are paid. The functional currency of the Group is Sterling, but it receives some revenues in Euros and makes some purchases in Chinese Renminbi. As at 31 March 2022, 4% (2021: 1%) of the Group's trade receivables balances were denominated in Euros and 18% (2021: 2%) of the Group's trade payable balances were denominated in Chinese Renminbi.

27 FINANCIAL RISK MANAGEMENT continued**Market risk** continued

The summary quantitative data about the Group's exposure to currency risk is as follows:

	Trade receivables £000	Trade payables £000	Net exposure £000
31 March 2022			
Euros	18	192	210
Chinese Renminbi	—	936	936
31 March 2021			
Euros	8	97	89
Chinese Renminbi	—	92	92

The following significant exchange rates have been applied during the year:

	Average rate 2022	Year-end spot rate 2022	Average rate 2021	Year-end spot rate 2021
Euros	1.18	1.18	1.12	1.17
Chinese Renminbi	8.60	8.60	8.60	8.60

Sensitivity to market risk

If the Euro exchange rate, on average through the year, weakened/strengthened by 10% and all other variables were held constant, the Group's profit for the year ended 31 March 2022 would decrease/increase by £480,000 and £393,000 respectively (2021: £133,000 and £109,000). This has been calculated by applying the amended currency rate to the value of Euro receipts during the year.

If the Chinese Renminbi exchange rate, on average through the year, weakened/strengthened by 10% and all other variables were held constant, the Group's profit for the year ended 31 March 2022 would decrease/increase by £890,000 and £728,000 respectively (2021: £430,000 and £351,000). This has been calculated by applying the amended currency rate to the value of Chinese Renminbi payments during the year.

Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders, and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the Group's statement of financial position, plus net debt. Net debt is calculated as total borrowings, excluding lease liabilities, less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group is subject to certain reporting requirements with regards to its bank facilities. There have been no events of default on the financing arrangement during the financial year.

The Directors believe that the Group is well placed to manage its business risks successfully and do not foresee any risks arising in the immediate future.

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

Year ended 31 March 2022

28 RELATED PARTY TRANSACTIONS

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

Related party transactions with connected companies

Two Directors, Tarak Ramzan and his son Sheraz Ramzan, and their relatives control 43.4% of the voting shares of the Company (2021: 43.4%).

The Group transacts with the 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:

	Purchased from	
	2022 £000	2021 £000
Big Blue Concepts Limited	338	213
Tarak Manufacturing Limited	236	190

	Balance owed to		Balance due from	
	2022 £000	2021 £000	2022 £000	2021 £000
Tarak Manufacturing Limited	8	8	—	—

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.

Remuneration of key management personnel

The remuneration of the Directors, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures. The Directors' Remuneration Report on pages 42 to 44 of this Annual Report provides further information regarding the remuneration of individual Directors.

	2022 £000	2021 £000
Short-term employment benefits	629	574
Post-employment benefits	50	50
Employer National Insurance contributions	79	72
Share-based payments	6	5
	764	701

29 CONTINGENCIES

The Group's bank loans, overdrafts and other credit facilities were extended post-year-end and are scheduled to expire on 30 June 2023.

These facilities continue to be secured by an unlimited multilateral and cross-company guarantee given by Zandra Retail Limited and Tarak International Limited and also by a limited guarantee given by, and by a floating charge over the assets of, Zandra Retail Limited and Tarak International Limited. The bank also holds a right of set-offs between Zandra Retail Limited and Tarak International Limited. All entities included in the guarantee are wholly owned subsidiaries in the Group.

In addition to the above, QUIZ plc has provided a Parent Company Guarantee with respect to the facilities.

COMPANY INFORMATION

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QUIZ plc's commitment to environmental issues is reflected in this Annual Report, which has been printed on Symbol Freelifa Satin, an FSC® certified material. This document was printed by L&S using its environmental print technology, which minimises the impact of printing on the environment, with 99% of dry waste diverted from landfill. Both the printer and the paper mill are registered to ISO 14001.

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