Annual Report & Financial Statements
for the 52 weeks ended 28 September 2024

2024

Contents

This document is important and requires your immediate attention. If you are in any doubt as to the action you should take, you should contact an appropriate independent advisor authorised under the Finanical Services and Markets Act 2000 (as amended) immediately. If you have sold or otherwise transferred all of your shares in Shoe Zone plc you should forward this document to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was affected for transmission to the purchaser or transferee.

Directors and Advisers

Directors
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C A Bowen

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Chairman's Report

Shoe Zone had a good year, essentially split into two halves. The first six months saw strong and consistent trading performance, followed by disappointing store sales in the second half of the year, due to a weakening of consumer confidence and unseasonal weather conditions, particularly during peak summer. That said, the key back to school trading in the second half was positive, and ahead of the previous year and another strong year of Digital growth. Once again, I thank our incredible teams for their continued hard work and support.

Revenues in the year were £161.3m (2023: £165.7m), a decrease of 2.7%. Within this, stores were £125.6m (2023: £134.8m), a decrease of 6.8% from 26 fewer stores. Digital revenues were £35.2m (2023: £30.9m), an increase of 13.9%.

Profit before tax decreased to £10.1m (2023: £16.2m). On an adjusted basis (as defined on page 6, profit before tax decreased by 39.4% to £10.0m (2023: £16.5m).

Our business strategy of investment in our new format stores accelerated, and we completed 55 refits and relocations in the financial year, with continued investment in our Digital platform. This in part contributed to a lower net cash position at the end of the year of £3.6m (2023:16.4m).

New Formats

In total we completed 55 projects in the year, being 28 refits and 27 relocations, reducing our original Shoe Zone format to 112 (2023: 188). We closed 53 stores, 27 of which were relocated.

We ended the year with 185 new format, larger stores (2023: 135), generating revenue of £85.2m (2023: £64.8m) and a contribution of £14.6m (2023: £12.4m). (As defined on page 8).

The new format stores continue to trade well and are key to the property portfolio transformation over the next 2 years, as we continue to refit and relocate the original Shoe Zone formats. At the end of this programme, capital expenditure is expected to reduce significantly.

Digital

Digital continues to be a key focus of our strategy and has traded strongly over the last 12 months. Revenue increased by 13.9% which was ahead of management expectations, driven by a higher conversion rate, as a result of the introduction of free next day delivery for all shoezone.com orders, a 29.5% increase in Amazon revenue and further investment in our online exclusive range and additional range extensions. We continue to invest in the infrastructure and gained a full year benefit of the increased productivity and throughput provided by the auto bagging machines installed last year.

Digital contribution was £9.0m (2023: £8.6m), with product margin achieved of 61.2% (2023: 60.3%). (As defined on page 8).

Chairman's Report CONTINUED

The email database grew to 1.43m (2023: 1.32m) of engaged members with our shoezone.com conversion rate growing to 6.0% (2023: 5.1%). Shoezone.com revenue was up 3.8% to £19.2m (2023: £18.5m), Amazon revenue up 28.9% to £14.7m (2023: £11.4m and eBay revenue was up 30% to £1.3m (2023: £1.0m).

The returns rate for the year improved to 11.4% (2023: 11.8%).

Product

Our new format stores stock approximately 600 styles per season, 50% of which are branded. As we refit and relocate existing stores to our new formats, the branded mix will continue to form a higher proportion of overall sales, with 23.2% of sales now from branded products (2023: 18.7%).

Our Digital shoehub platform offers the full store ranges plus approximately 1,400 online exclusive styles per season which we continue to invest in.

Property

We ended the period trading from 297 stores (2023: 323), having closed 53 and opened/relocated 27 and refitted a further 28 existing stores to our new formats.

Our average lease length is 2.5 years (2023: 2.2 years), the increase is due to the opening speed of new 5 year leases. The property market remains favourable for us as we continue to maximise our portfolio over the next 2 years.

Total capital expenditure was gross £11.5m, and net of rent free's received was £10.1m (2023: £9.6m), of which £8.1m was for our refit and relocation programme.

We achieved rent reductions on 35 store renewals and re-gears of £0.4m (2023: £0.7m) on an annualised basis, an average reduction of 21% (2023: 53 reviews with an average 31% reduction).

Dividend

An interim dividend of 2.5 pence per share was paid out in August 2024, and will be the only dividend paid for the financial year ended 28 September 2024. No further or final dividend will be paid in respect of the year ended 28 September 2024, as management deem it prudent from a cash management perspective, and continue to pursue a progressive dividend policy for future years where deemed appropriate.

Chairman's Report CONTINUED

Outlook

Trading conditions in Q1 of the new financial year continued to be challenging, due to a mixture of mild seasonal weather conditions and a cautious consumer environment. The Governments October budget will impact the profitability of the second half of our new financial year, as we will incur additional costs due to the increases in the National Living Wage and National insurance. We will look to mitigate this impact, but don't have the capacity to absorb this level of unexpected cost inflation. As a result, the Board have downgraded our full year adjusted profit before tax expectation to not less than £5.0m from £10.0m.

Capital expenditure

We forecast to spend in the region of £7.5m in the next financial year to include 35 store projects (14 refits and 21 relocations), Head Office infrastructure changes, IT projects and vehicles.

Property

We continue to transform our property portfolio with relocations and new stores being partially funded by landlords through rent free periods, typically 12 months. We aim to have completed the transformation of our stores by the end of the 2026 calendar year.

Digital

We will continue to invest in our Digital Shoehub platform and in the next 12 months we will launch a new mobile App, add further payment options including Apple Pay and Google Pay and continue to expand our customer offering through expansion of our online exclusive ranges.

Product

We expect product margins to reduce as we forecast a full year of higher container rates, partially offset by an improved Sterling to Dollar exchange rate. Our buying and shipping teams are doing an exceptional job of managing the direct from factory supply chain, which is still volatile, but are confident that we are performing better than the market average.

Conclusion

A lot of the work undertaken in the last three years underpins our strategy and evidenced by the profitable results in the last few years, we will continue to re-model our property portfolio with the aim to have no original Shoe Zone stores by the end of 2026.

The pipeline of property projects gives us confidence that our strategic plans can be met over the next two years.

People form a key part of our business success as we look forward to the next generation of our strategy. We will continue to invest in our team by increasing training and career development opportunities.

I would like to thank all of our Shoe Zone Team for their amazing support and commitment over the last twelve months.

Chairman's Report CONTINUED

Director's statement of compliance with the duty to promote the success of the group (Section 172(1) statement)

The Directors have acted in a way that they consider, in good faith, that promotes the success of the Group for the benefit of its members as a whole, and in doing so have given regard to (amongst other matters):

External relationships

The vast majority of the Group's products are manufactured overseas in China and to a lesser extent in India and Europe. As a result, the Group is subject to the risks associated with international trade, particularly those common in the importation of goods from developing countries, including the imposition of taxes or other charges on imports, compliance with and changes to import restrictions and regulations, and exposure to different legal standards and the burden of complying with a variety of foreign laws and changing foreign government policies.

The Group's policy for the payment of suppliers is to agree payment terms in advance and to abide by such terms.

The Group continually develops strategies to further improve its strong relationship with its suppliers.

Our people

Our long-term success depends on looking after the best interests of our employees, customers, shareholders and suppliers.

All employees are able to contribute to the ongoing success of the business through regular contact between management and employees. We promote equal opportunities and do not tolerate discrimination of any kind. We operate a non-contractual profit share scheme that rewards employees based on the overall company profit performance. Details on the number of people employed can be found in note 7 of the financial statements.

The Board meets regularly and communicates with our people on a regular basis to ensure they all understand our strategic objectives both short and long-term.

Charity

We donated £256,000 to charitable causes. These donations are mainly targeted at children in poverty/difficult circumstances locally, nationally and internationally and delivered via The Shoe Zone Trust and we commit to contributing at least 2% of profits into the trust each year, as well as all funds received from the sales of carrier bags.

Chairman’s Report CONTINUED

Environment

We recognise the impact of our activities on the environment. We continually review our consumption of single use plastics and have eliminated them in all own label products. We recycle all cardboard and plastic waste from our stores and Head Office. We use sea transportation to reduce emissions, the electricity we use comes from 100% renewable sources, our distribution centre is powered by solar panels, gas boilers are being replaced by heat pumps in a number of stores, we have replaced old lighting with more efficient LED lighting and our company car fleet is either hybrid or fully electric. We aim to reduce consumption on everything we use as the best way to reduce our carbon footprint.

Political donations

During its last financial period the Group made no political donations and incurred no political expenditure. The Group does not intend to make any such donations or incur any such expenditure this year.

Financial Review

In the 52 weeks to 28 September 2024, total revenues were £161.3m (2023: £165.7m) a decrease of 2.7%. We ended the year with 297 stores (2023: 323) having closed 53, opened 27 and refitted a further 28 existing Shoe Zone stores.

Profit before tax was £10.1m (2023: £16.2m), adjusted by a foreign exchange gain on revaluation (£0.1m), therefore an adjusted Profit before Tax of £10.0m (2023: £16.5m) a decrease of 39.4%. The year-on-year decrease is primarily due to weak second half trading, due to unseasonal weather conditions, particularly in peak summer, an increase in energy prices, depreciation charged, due to the higher capital expenditure, and the National Living Wage increase.

Digital revenues were £35.2m (2023: £30.9m) an increase of 13.9%, which was ahead of management expectations, due to the introduction of free next day delivery for all Shoezone.com orders, a subsequent increase in conversion rates and an increase in Amazon sales. Contribution from Digital was £9.0m (2023: £8.6m) in the year.

Product margins were ahead of last year at 62.8% (2023: 62.1%). This increase is due to a reduction in container prices for part of the year, as prices at the beginning of 2023 were high, but we started to see price increases in the second half of 2024, a more favourable Sterling to Dollar exchange rate, partly offset by a higher mix of lower margin branded product.

Statutory gross profit reduced by £5.3m to £35.5m, with a gross profit margin of 22% (2023: £40.9m, 24.7%). The reduction reflects the sales decrease and increases in the depreciation charged and higher digital sales related costs, offset by a reduction in store occupancy costs and lower stock purchases.

Admin expenses reduced by £0.3m to £18.5m (2023: £18.8m) due to reductions in the company profit share payout and foreign exchange losses, offset by increases in wage costs, repair costs and digital costs.

Distribution costs increased by £0.4m to £5.7m (2023: £5.3m), due to higher warehouse and distribution wages as a result of the National Living Wages increase.

The corporation tax charge through the Income Statement is £2.7m (2023: tax charge of £3.0m). Earnings per share are 16.04p (2023: 27.79p).

Stock levels increased by £4.1m to £37.9m (2023: £33.8m), which is due to earlier timing of deliveries of Winter 2024 product, an increase in the proportion of higher value branded product we have in stock compared to last year and higher carrying stock of core Summer 2024 product which will form part of our Summer 2025 range.

Capital expenditure was maintained at £11.5m (2023: £11.4m) as we continued our programme of store relocations and refits to expand our new formats. We also invested £1.3m in our central distribution centre to further improve our Digital efficiency and a further £1.2m on our vehicle fleet. This total is the gross value expended and is partially offset by c.£1.4m of rent-free cash received via landlords when we opened stores, typically 12 months.

Financial Review CONTINUED

At the year-end the net cash was £3.6m (2023: £16.4m). The decrease in cash was due to dividends paid £8.0m (2023: £8.2m), and capital expenditure, £11.5m (2023: £11.4m), offset by the cash generated from profitable operations.

The Shoe Zone pension scheme is in a surplus of £0.5m (2023: surplus of £0.5m). This has remained stable because of the Groups asset-liabilities matching strategies. The scheme's liabilities are covered by the buy-in contracts (purchase of the buy-in contracts with Rothesay on 2 March 2023), therefore the change in the liabilities was almost exactly matched by a corresponding change in the insured assets. The Shoe Zone Pension Scheme asset is not recognised in the statement of financial position. The Shoefayre scheme is now in deficit of £1.6m (2023: deficit of £2.1m). The reduction is due to a better investment return, increasing the scheme's assets, a favourable change in mortality rates and a slight reduction in future inflation expectations.

The Group uses derivative financial instruments, typically forward exchange contracts, to hedge the risk of future foreign currency fluctuations. The hedging policy enables the effective portion of changes in the fair value of designated derivatives to be recognised in other comprehensive income. Historically these movements would have been recognised in the Income Statement. Further information can be seen in accounting policies in note 1.

Performance measures

The Directors have adopted Alternative Performance Measures (APM's). APM's should be considered in addition to UK adopted international accounting standards ("UK IAS") measures. The Directors believe that the following measures provide a clear indication of the underlying performance of the group, in addition to the reported numbers. They are not recognised profit measures under UK IAS, and may not be directly compared with 'adjusted' or alternative profit measures used by other companies.

ONLINE PARTICIPATION %

21.8%

2023: 18.7%

Online sales as a percentage of total sales. Online sales exclude orders placed in store.

The online participation increased to 21.8% (2023: 18.7%). This performance reflects the continued investment in the digital platform and is higher than management expectations.

PRODUCT MARGIN %

62.8%

2023: 61.2%

Product margin expressed as a percentage of revenue, less cost of goods sold. This is reported within the cost of sales in the income statement.

Product margins were 62.8% (2023: 61.2%). This increase is due to lower container prices at the start of the year, although prices started to increase from March 2024 onwards, and a more favourable Sterling to Dollar exchange rate.

CONTRIBUTION

£22.2m

2023: £30.5m

Contribution is product margin less sales related costs, for stores and digital channels.

UK store contribution reduced by 27.2% to £22.2m (2023: £30.5m), digital contribution increased by 4.6% to £9.0m (2023: £8.6m).

CASH BALANCE

£3.6m

2023: £16.4m

Cash held by the group at the year end.

We finished the year with a net cash balance of £3.6m (2023: £16.4m), with No debt. Main cash outs were dividends £8.0m, and capital expenditure £11.5m, offset by cash generated from profitable operations.

ADJUSTED PROFIT BEFORE TAX

£10.0m

2023: £16.5m

Profit before tax, excluding foreign exchange gains/losses on revaluation.

Adjusted profit before tax decreased by £6.5m to £10.0m (2023: £16.5m), a decrease of 39.4%.

EARNINGS PER SHARE

16.04p

2023: 27.79p

The percentage movement in Earnings per share.

Earnings per share reduced to 16.04p (2023: 27.79p)

Note: The total contribution we report in note 8 (UK stores £22.2m, Digital £9.0m) totals £31.2m. The gross profit reported in the income statement is £35.5m. The £4.3m difference relates to digital marketing and payment service provider costs, which we report as a cost within contribution, but on a statutory basis these costs are reported in administration fees in the financial statements.

Principal Risks and Uncertainties

We set out below the principal risks and uncertainties that the Directors consider could impact the business. The list highlights the key risks but there may be other risks to which the business is exposed. The list is not intended to be exhaustive.

Market and Competition

The footwear market is highly competitive, particularly with respect to price, product selection, quality and store location. The markets the Group operates in are, on a comparative basis, free and open markets with low barriers to entry. The Group competes at national and local levels with a diverse group of retailers of varying sizes and covering different product categories and geographic markets. These competitors include local, national and global retailers, including other specialist footwear retailers, supermarkets, online retailers and local independent retailers. Some competitors may have greater market presence, name recognition, financial resources and economies of scale or lower cost bases than the Group and may be able to withstand, or respond more swiftly to, changes in market conditions, any of which could give them a competitive advantage over the Group. In addition, like many other retailers, because the Group does not have exclusive rights to many of the elements that comprise its in-store experience and product offering, competitors may seek to copy or improve on the Group's business strategy, which could significantly harm the Group's competitive position.

The Board monitors competitor activities and discusses them on a weekly basis. The Group has adopted a strategy which intends to differentiate itself from its closest competitors and endeavours to price match on any cross over product lines. Maintaining price competitiveness, and our value proposition, is a key focus of the business.

Identifying fashion and trends

The success of the Group's business depends in part on its ability to innovate and to identify, anticipate and respond to evolving trends in consumer preferences, demographics and fashion trends, and to translate these trends into appropriate, saleable products. The Group seeks to change and refresh its product offering seasonally in order to drive customer traffic through its stores and online offering but demand for, and market acceptance of, these new products is uncertain.

Trends and demands are continually reviewed by knowledgeable and experienced employees who have a high level of market awareness. The Board monitors best sellers on a weekly basis and evaluates the performance of new lines.

Principal Risks and Uncertainties CONTINUED

Economic factors

We continue to see uncertain economic conditions in the UK and globally, as well as economic factors such as the impact of the war in Ukraine and the continued escalation of the conflict in the Middle East. We are still experiencing inflationary increases, including a further increase in the national minimum wage and higher interest rates, all of which may adversely affect the disposable income of the Group's customers, which could result in lower sales. In particular, in times of economic uncertainty or recession or lack of consumer confidence, there may be a decrease in discretionary purchases generally, which could have a materially adverse effect on the Group's business, results of operations and financial position. Global economic conditions and uncertainties may also impact the Group's manufacturers and suppliers in ways that could adversely affect the Group's business.

The Board considers very carefully the economic climate in planning its product ranges and pricing structure. As the business is focussed on offering low prices it is more resilient to reductions in consumer expenditure than other footwear retailers.

Reliance on overseas suppliers

Like many retailers, the Group is dependent on being able to source suitable products from manufacturers and other suppliers at a sufficiently low cost and in a timely manner. Although the Group enjoys good relationships with a wide range of manufacturers and other suppliers and is not overly reliant on any one supplier, there is still potential for the Group to be exposed to adverse operational and financial risks should there be a deterioration in relationships with a number of its key suppliers or if the Group is unable to identify and develop relationships with suitable suppliers who can satisfy its standards for price, quality, safety and its quantity and delivery requirements.

The vast majority of the Group's retail products are manufactured overseas by suppliers located in China and to a lesser extent India and Europe. As a result, the Group is also subject to the risks associated with international trade, particularly those risks which are common in the importation of goods from developing countries, including the imposition of taxes or other charges on imports, compliance with and changes to import restrictions and regulations, and exposure to different legal standards and the burden of complying with a variety of foreign laws and changing foreign government policies.

The Board is always seeking out new sources of supply with a clear strategy of diversification. Members of the Management Team have historically visited overseas suppliers to ensure that existing factories are being regularly monitored and new factories are being sourced that meet our price, quality and safety standards. We are now able to visit China (November 2024), after COVID restrictions prohibited us from doing so.

Principal Risks and Uncertainties CONTINUED

Reputational risk

The Group's sales are dependent in part on the strength and reputation of the brands it offers, including own label brands, and are dependent on consumers' perceptions of the Group and its products.

The majority of the Group's profits are derived through sales of its own label brands. Maintaining broad market acceptance of its own label brands depends on many factors, including value, quality and consumer perception. The Group may not in the future achieve or maintain its expected sales of its own label brands, which could have a material adverse effect on the Group's business, results of operations and financial position.

The Board has sufficient internal processes to ensure that it receives feedback from stores and customers on the design and quality of its products. The business' reputation is carefully managed through internal procedures by the Board.

Loss of key operating site

The Group has a single Distribution Centre and its head office located at premises in Leicester and therefore the Group is entirely dependent on the continued efficient operation of the Leicester premises. Any disruption to the operation of the Leicester premises may have an adverse effect upon the Group's financial position, operations and business prospects. The premises may suffer prolonged power or equipment failures, failures in its IT systems or networks or damage from fire, flood, or other disasters or unforeseen events which may not be covered by, or may be in excess of, its insurance coverage. Damage resulting from any of these events may take considerable time to repair. A prolonged period before rectification could have an adverse effect upon the Group's financial position, operations and business prospects.

The business has developed and maintains a business continuity plan for the unlikely scenario of long term disruption to the Leicester premises. The business retains appropriate insurance to mitigate the risk of such a loss.

Data security and IT reliability

The Group relies to a significant degree on the uninterrupted operation of its computer and communications systems and infrastructure, as well as the equivalent systems and infrastructure of third parties, for the efficient running of its business, including with respect to inventory, merchandising, finance, human resources, distribution and logistics and store operations.

The Group must comply with restrictions on the use of customer data and ensure that confidential information (such as credit or debit card numbers) is transmitted in a secure manner over public networks.

Despite controls to ensure the confidentiality and integrity of customer data, the Group may breach restrictions or may be subject to attack from computer programmes that attempt to penetrate the network security and misappropriate confidential information. Any such breach or compromise of security could adversely impact the Group's reputation with customers and consumers, lead to litigation or fines, and as a result, have a material adverse effect on its business, results of operations and financial position.

Principal Risks and Uncertainties CONTINUED

The business has appropriate disaster recovery and business interruption plans. The IT systems have been developed significantly in-house reducing the business's dependency on any third parties. Reputable third party antivirus, anti-spam and web filtering software are in use and its appropriateness regularly reviewed.

Reliance on key personnel

The Group depends on a relatively small senior Management Team and the loss of a material number of such individuals or the inability to attract appropriate personnel in a timely manner could impact upon the Group's future performance.

The Group's Remuneration Policy is designed to attract, retain and motivate management. Succession plans are in place for key roles.

Product

Shoe Zone continues to review the potential risks and opportunities that the post Brexit environment presents. Within the Shoe Zone product range, less than 2.5% of all stock is purchased from within the EU, this limits any potential risks.

The import of finished product from the Far East represents the main areas of risk. There has been less disruption at ports, continued volatility in the price of shipping containers and a more favourable Sterling to Dollar exchange rate. We have Dollar contracts covering the majority of purchases for the next financial year.

We continue to monitor all risk factors.

Going concern

Please see page 40 in Director's report regarding going concern.

The strategic report was approved by the Board.

On behalf of the Board

Charles Smith
Chairman
Date: 20 January 2025

Corporate Governance Statement

Chairman's Statement

It is with pleasure that I take the opportunity to outline the approach taken to corporate governance within Shoe Zone plc.

The Board is committed to maintaining high standards of corporate governance and, with effect from 1 September 2018, the Board has adopted the Quoted Companies Alliance's (QCA) Corporate Governance Code for small and mid-size quoted companies (the "Code"). The company has adopted the 2023 QCA code which will apply to periods starting on or after the 1 April 2024, so will apply for the 2025 year end.

The Code was revised in April 2018 to meet the new requirements of AIM Rule 26 and sets out ten broad principles of corporate governance. The code states what are considered to be appropriate corporate governance arrangements for companies. It provides an explanation about how they are meeting the principles through certain prescribed disclosures.

The Chairman leads the Board and is responsible for its overall effectiveness in directing the Company. He manages the Board agenda and ensures that all Directors receive accurate, timely and clear information and effectively contribute their various talents and experience in the development and implementation of the Company's strategy. He ensures that the nature and extent of the significant risks the Company is willing to embrace in the implementation of its strategy are challenged and determined by the Board. The Chairman is responsible for ensuring that the Board implements, maintains and communicates effective corporate governance processes and for promoting a culture of openness and debate designed to foster a positive governance culture throughout the Company.

The Board has considered how each principle is applied and provides below an explanation of the approach taken in relation to each and how they support the Company's medium to long-term success.

The Board considers that it does not depart from any of the principles of the QCA Code and there have been no corporate governance matters in the previous year.

J. C. P. Smith

Charles Smith
Chairman
Date: 20 January 2025

Corporate Governance Statement CONTINUED

THE TEN PRINCIPLES OF THE QCA CODE

1

CATEGORY: DELIVER GROWTH

PRINCIPLE: ESTABLISH A STRATEGY AND BUSINESS MODEL WHICH PROMOTES LONG-TERM VALUE FOR SHAREHOLDERS.

- Shoe Zone is a footwear retailer. Its strategy is:
  - Town Centre renewal and new format expansion
  - Digital Growth
- This business model has been developed over many years and has proved successful in both profit performance and cash generation.

2

CATEGORY: DELIVER GROWTH

PRINCIPLE: SEEK TO UNDERSTAND AND MEET SHAREHOLDER NEEDS AND EXPECTATIONS.

- The Chairman and the Finance Director are primarily responsible for maintaining dialogue with shareholders, supported by the Company's broker.
- The Chairman and Finance Director hold both one-to-one and group meetings with shareholders and the investing community following the announcement of the annual and interim results.
- Following these meetings, the Group's brokers provide independent and anonymised feedback to the Board on shareholders' views.

Corporate Governance Statement CONTINUED

3

CATEGORY: DELIVER GROWTH

PRINCIPLE: TAKE INTO ACCOUNT WIDER STAKEHOLDER AND SOCIAL RESPONSIBILITIES AND THEIR IMPLICATIONS FOR LONG TERM SUCCESS.

- Shoe Zone takes its wider stakeholder population into account within its decision making processes.
- Examples of this are:
  - The Shoe Zone supplier manual outlines minimum working practices that we expect from all our suppliers.
  - The management team visit factories that supply us with manufactured product.
  - We hold employee forums.
- We are working with suppliers to eliminate plastic materials from the supply chain as far as possible.
- We collect all plastic and cardboard from our stores. Where possible, we reuse or recycle cardboard and recycle plastic through a third party.
- Shoe Zone is committed to eliminating all forms of slavery and the company website outlines the actions we are taking to ensure that we are supportive of the wider movement.

4

CATEGORY: DELIVER GROWTH

PRINCIPLE: EMBED EFFECTIVE RISK MANAGEMENT, CONSIDERING BOTH OPPORTUNITIES AND THREATS, THROUGHOUT THE ORGANISATION.

- The key risks and the approach taken to mitigate these is detailed in the Annual Report and Accounts. The key risks identified are listed in the Annual Report elsewhere.

Corporate Governance Statement CONTINUED

5

CATEGORY: MAINTAIN A DYNAMIC MANAGEMENT FRAMEWORK

PRINCIPLE: MAINTAIN THE BOARD AS A WELL-FUNCTIONING, BALANCED TEAM LED BY THE CHAIR.

- The Board consists of two Executive Directors and two Non-executive Directors.
- The Executive Chairman is Charles Smith, who is also a major shareholder with 25.80% shareholding.
- The remaining Executive board member is Terry Boot, Finance Director.
- The senior Non-Executive Director is Victoria Norrish, who is the Chair of the Audit Committee.
- The remaining Non-Executive Director is Malcolm Collins. He is Chairman of the Remuneration Committee.
- The Executive Directors are both full-time.
- The Non-executive Directors are selected for the specific skills and expertise that they contribute to the business. This ranges from experience of accounting, footwear retail and supply chain expertise.

6

CATEGORY: MAINTAIN A DYNAMIC MANAGEMENT FRAMEWORK

PRINCIPLE: ENSURE THAT BETWEEN THEM THE DIRECTORS HAVE THE NECESSARY UP-TO-DATE EXPERIENCE, SKILLS AND CAPABILITIES.

- Please refer to the Investor Relations section of the website for further details of the Directors.

Corporate Governance Statement CONTINUED

7

CATEGORY: MAINTAIN A DYNAMIC MANAGEMENT FRAMEWORK

PRINCIPLE: EVALUATE BOARD PERFORMANCE BASED ON CLEAR AND RELEVANT OBJECTIVES, SEEKING CONTINUOUS IMPROVEMENT.

- The Executive Board consists of one of the main shareholders, Charles Smith, along with Terry Boot.
- Within the organisation there is also a wider Trading Team that has functional responsibility for the business.
- The Board is constantly reviewing its own performance and that of the Team including its relevance and constitution as the business develops and grows. We look to identify those individuals who excel in their role and develop them through appointment to the Trading Team and measure their success as part of the Group and the wider group.

8

CATEGORY: MAINTAIN A DYNAMIC MANAGEMENT FRAMEWORK

PRINCIPLE: PROMOTE A CORPORATE CULTURE THAT IS BASED ON ETHICAL VALUES AND BEHAVIOURS.

- The Group seeks to promote an open culture where all employees feel that they contribute to the ongoing success of the business.
- We operate a non-contractual profit share scheme that rewards employees, based on the overall company profit performance.

Corporate Governance Statement CONTINUED

9

CATEGORY: MAINTAIN A DYNAMIC MANAGEMENT FRAMEWORK

PRINCIPLE: MAINTAIN GOVERNANCE AND PROCESSES THAT ARE FIT FOR PURPOSE AND SUPPORT GOOD DECISION-MAKING BY THE BOARD.

- The Board meets around six times per year. Agendas and papers are issued in advance of the meeting in order to allow each member to prepare thoroughly. All Non-Executive Directors are expected to attend these meetings.
- The Remuneration Committee and Audit Committee meet at least once per year and their reports are contained in the Annual Report and Accounts.
- Draft minutes are circulated for all meetings and following feedback, approved by the various boards at their next meeting.
- Non-Executive Directors are also called on where their expertise or advice would benefit the Group, such as pension negotiations, selection of a new audit partner, product range reviews or the selection of other advisors.
- Management meetings are also held periodically with other key senior members of the Group who hold functional responsibility. Information is disseminated through this group to the wider business and updates and feedback sought on key topics and areas.

10

CATEGORY: BUILD TRUST

PRINCIPLE: COMMUNICATE HOW THE COMPANY IS GOVERNED AND ITS PERFORMANCE BY MAINTAINING A DIALOGUE WITH SHAREHOLDERS AND OTHER RELEVANT STAKEHOLDERS.

- All shareholders are invited to make use of the Group's Annual General Meeting to raise any questions regarding the management or performance of the Group.
- Following the announcement of results the Group will also offer the chance for shareholders to meet the Chairman and Finance Director to discuss performance and future plans.
- All voting results for the Annual General Meeting on resolutions are available on the website and the reports of Board Committees are set out in the Annual Report and Accounts each year.

Corporate Governance Statement CONTINUED

The Board

The Board comprises of two Executive Directors (including the Chairman) and two Non-Executive Directors. The Board composition meets the recommendations of the QCA guidelines.

The Board is committed to maintaining high standards of corporate governance and to being transparent about its arrangements.

The key responsibilities of the Board are:

- the overall management of the Group;
- approval of corporate strategy;
- approval of income, expenditure and capital budgets;
- oversight of operations ensuring adequate systems of internal control and risk management are in place;
- to review business performance against the objectives that it has set;
- to monitor the integrity of the financial statements and approve the annual and interim reports;
- approval of the dividend policy;
- determining changes to the structure and composition of the Board;
- determining remuneration policy; and
- approval of communications with shareholders and the market.

Details of each of the Directors are given in their biographies on page 23.

Appointments to the Board and re-election

The Company is governed by its Articles of Association ('Articles'). Under the Articles the Board has the power to appoint a Director during the year but any person so appointed must stand for election at the next Annual General Meeting ('AGM'). The Articles require that each Director retires and seeks re-election by the members every three years. The QCA Code recommends that Directors should be subject to annual re-election by members and, in line with the Company's intention to apply certain principles of the UK Code, each Director will stand for re-election at each of the Company's AGMs.

Corporate Governance Statement CONTINUED

Board committees

The Board has established a Remuneration Committee and an Audit Committee. Due to the nature and size of the Group, the Directors have decided that issues concerning the nomination of Directors will be dealt with by the Board rather than a nomination committee.

Membership of the two Board Committees is comprised of all independent Non-Executive Directors. Each Board Committee has approved Terms of Reference setting out their responsibilities. The Terms of Reference were approved by the Board during the year. All of the Board Committees are authorised to obtain, at the Group's expense, professional advice on any matter within the Terms of Reference and to have access to sufficient resources to carry out their duties.

The Audit Committee is chaired by Victoria Norrish. The committee meets as necessary to monitor the Group's risk management and internal control systems and is also concerned with any major accounting and audit related issues. Executive Directors and senior management are responsible for managing the risk framework and internal control systems and must report on their effectiveness to the Audit Committee.

Details of the duties of the Remuneration Committee are set out in the Remuneration report on page 24.

Board of Directors

Chairman

CHARLES SMITH

Charles joined Shoe Zone in 1998, becoming Chief Operating Officer in 2001. He was appointed Chairman in January 2020. Charles is a founder and Trustee of the Shoe Zone Trust.

Finance Director

TERRY BOOT

Terry Joined Shoe Zone in March 2021 as Finance Director. He was most recently the Finance Director and then CEO at the Company of Master Jewellers, having previous been in the footwear retailing industry for 26 years. From 1998 to 2016 he was the Finance Director at Brantano and Jones Bootmaker.

Company Secretary

CATHERINE BOWEN

Catherine joined Shoe Zone in September 2018 as General Counsel and was appointed Company Secretary in September 2019. Catherine qualified as a solicitor in 2001 and has extensive legal experience in the retail sector, and is a specialist in landlord and tenant matters. Catherine also taught, part time, on the Law Degree at the University of Leicester for eight years, while continuing to practice.

Non-executive Director

VICTORIA NORRISH

Victoria joined as a Non-Executive Director in August 2020. Victoria joined Blue Light Card Limited in January 2021 as Chief Financial Officer. She was previously at TheWorks.co.uk plc from 2008 to 2020 as Supply Chain Director (January 2019 to December 2020), Strategic Development Director (July 2018 to January 2019) and Finance Director (November 2008 to July 2018). She commenced her accountancy career as an auditor with KPMG and Godkin & Co.

Non-executive Director

MALCOLM COLLINS

Malcolm joined as a Non-Executive Director in June 2016. Malcolm was most recently Group Buying and Design Director for footwear and accessories at New Look, overseeing the group's £550m footwear division. Prior to Malcolm's 16 years at New Look, he spent 23 years at Clarks Shoes. Malcolm worked in a number of roles during his career at Clarks, including 13 years as Women's Footwear Buyer.

Remuneration Report

This is the Company's tenth Directors' Remuneration Report since it listed on AIM in May 2014.

The Remuneration Committee consists of the Non-executive Directors. Malcolm Collins is the Chairman and Victoria Norrish also serves on the Committee.

Anthony Smith and Charles Smith may attend the Committee meetings by invitation.

Duties

The main duties of the Remuneration Committee are set out in its Terms of Reference adopted 25 April 2014 and include:

- responsibility for agreeing, with the Board, the framework or broad policy for the remuneration of all Executive Directors of the Company, including pension rights, compensation payments, bonuses, incentive payments, share options and benefits in kind;
- obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity and market practice generally;
- approve the design and determine targets for any performance-related pay schemes operated by the Group and approve the total annual payments made under such schemes only for Directors;
- monitor the level and structure of remuneration for Directors.
- ensure the contractual terms on termination, and any payments made, are fair to the individual and the Group, and in accordance with any legal and regulatory requirements; and
- agree the policy for authorising claims for expenses from the Directors.

Remuneration Report CONTINUED

Directors and Directors' interests

The Directors listed below all served through the year. Their interests in the issued share capital of the Company as at the date of this report were as follows:

	Number of ordinary shares	Percentage of issued share capital
Executive Directors		
Charles Smith	11,933,694	25.80%
Terry Boot	32,626	0.07%
Non-executive Directors		
Victoria Norrish	Nil	Nil
Malcolm Collins	Nil	Nil

Remureration Report CONTINUED

Directors' Remuneration

Directors' remuneration information for those individuals who have served as a Director for the year are presented below. The information presented in respect of these Directors is for the full financial year.

Individual	Financial year	Basic Salary and fees £	Profit Share (Bonus) £	Benefits £	Pension Contribution £	Total £
Executive Directors						
Anthony Smith	**FY24***	**204,476**	**88,158**	**9,195**	**15,231**	**317,060**
	FY23	359,250	183,750	17,120	-	560,120
Charles Smith	**FY24**	**272,025**	**129,549**	**15,353**	**28,000**	**444,927**
	FY23	230,000	117,600	15,886	-	363,486
Terry Boot	**FY24**	**145,250**	**63,000**	**2,964**	**17,400**	**228,614**
	FY23	138,000	70,000	6,310	16,500	230,810
Non–executive Directors						
Malcolm Collins	**FY24**	**20,000**	**-**	**-**	**-**	**20,000**
	FY23	20,000	-	-	-	20,000
Victoria Norrish	**FY24**	**30,000**	**-**	**-**	**-**	**30,000**
	FY23	30,000	-	-	-	30,000
Total	**FY24**	**671,751**	**280,707**	**27,512**	**60,631**	**1,040,601**
	FY23	777,250	371,350	39,316	16,500	1,204,416

Directors' Remuneration

*Note - partial year.

Directors’ Service contracts and employment letters

The Executive Directors have entered into service agreements with the Group with effect from 1 May 2017 or in the case of Terry Boot his date of commencement. Salaries for the upcoming year are set out below:

	£
Charles Smith	308,450
Terry Boot	150,000

Each Executive Director’s employment will continue until terminated by either party by written notice. The notice period applicable are 12 months for Charles Smith and 6 months for Terry Boot. Other fixed elements of the Executive Directors’ remuneration comprise a company car provision, life assurance and private medical insurance. Terry Boot is entitled to a Pension Contribution of 12% basic salary.

The Company may elect to terminate the employment of each Executive Director by making a payment in lieu of notice equal to their basic salary payable in monthly instalments.

Each of the Executive Directors has agreed to post-termination restrictions in order to protect confidential information, trade secrets and business connections. These restrictions last for 9 months.

The Non-Executive Directors have entered into appointment letters. Under the terms of these letters, the Non-Executive Directors are entitled to an annual fee as set out below:

	£
Malcolm Collins	20,000
Victoria Norrish	30,000

The remuneration report was approved by the Board.

On behalf of the Board

Malcolm Collins
Chairman of the Remuneration Committee
Date: 20 January 2025

DIRECTORS' REPORT
FOR THE 52 WEEKS ENDED 28 SEPTEMBER 2024

The Directors present their Annual Report and audited financial statements of the Company and the Group for the 52 weeks ended 28 September 2024.

The disclosure requirements of the Companies Act 2006 have been met by the contents of this Directors' Report, apart from the likely future developments in the business and existence of stores which are included within the Strategic Report which should therefore be read in conjunction with one another.

The Company

Shoe Zone plc (the 'Company') is a Company incorporated in England and Wales and domiciled in the UK, with the registered company number 08961190. The company is listed on the AIM market of the London Stock Exchange.

Share Capital

Details of the share capital of the Company are shown in note 21 of the financial statements. The Company's share capital consists of one class of ordinary shares. As at 28 September 2024 there were 46,250,000 ordinary shares of £0.01 each. The authorised share capital of the Company is unlimited.

At the AGM held on 12 March 2024, the Board was granted authority to allot shares in the Company of up to approximately a third of the Company's issued share capital. The Board was also granted authority to allot further shares having an aggregate nominal value of £154,089.43 in connection with a pre-emptive rights issue (representing approximately a further third of the Company's issued share capital). At the 2025 AGM, shareholders will be asked to renew this authority for a further year.

Directors

The Directors who held office during the year and up to the date of signing the financial statements are listed on the directors and advisors page (page 2).

Directors' Interests

Information about the Directors' interests in the shares of the Company can be found in the Directors' Remuneration Report (page 24).

Directors' Indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity provision as defined by section 234 of the Companies Act 2006. The indemnity was in force throughout the financial year and at the date of approval of the financial statements. The Group maintains Directors' and Officers' liability insurance.

In accordance with the Articles of Association, all the Directors offer themselves for re-election at the AGM, as they were appointed during the year.

Employees

The Group employed 2,374 employees at the year end.

The Group's policy is to actively involve its employees in the business to ensure that matters of concern to them, including the Group's aims and objectives and the financial and economic factors which impact them are communicated in an open and regular manner.

The Directors are committed to delivering the highest standards of health and safety for employees, customers and others that might be affected by the Group's activities.

The Group is committed to employing the right people, training them well and promoting from within wherever possible. Well trained and motivated employees are key to delivering good service to our customers and are fundamental to the long-term success of the business.

All employees are able to contribute to the ongoing success of the business through regular contact between management and employees. We promote equal opportunities and do not tolerate discrimination of any kind.

Annual general meeting

The Company's eleventh AGM will be held on Tuesday 11 March 2025 at 10.00 a.m. at the Company's registered office at Haramead Business Centre, Humberstone Road, Leicester, Leicestershire LE1 2LH. The Notice of AGM appears on pages 99 to 105.

Set out below is an explanation of certain resolutions which will be proposed at the AGM.

Appointment of Directors (resolutions 2 to 5)

The UK Corporate Governance Code recommends that directors should be subject to annual re-election by shareholders. In line with the Company's intention to apply certain principles of the UK Corporate Governance Code, each Director will stand for re-election at the AGM. Biographical details of each Director appear on page 23. The Board believes that each Director continues to demonstrate their commitment to their role and that, collectively, the Directors' skills complement each other and enhance the overall operation of the Board.

Political donations (resolution 8)

The Company is prohibited under the Companies Act 2006 from making donations to political parties or organisations or to independent election candidates of over £5,000 a year without shareholder approval. The Companies Act 2006 uses very broad definitions of political donations and expenditure which may extend to normal business activities which might not be thought of as political expenditure in the more usual sense. Activities which could be caught include representing the Company in the business community or at special interest groups which the Company may wish to support. In addition, the sponsorship of industry forums, the funding of seminars and other functions to which politicians are invited may also be caught. The Company is therefore proposing this resolution to ensure that it does not inadvertently breach the rules whilst carrying out its normal business activities.

During its last financial year the Company made no political donations and incurred no political expenditure. The Company does not intend to make any such donations or incur any such expenditure this year.

Authority to allot shares (resolution 9)

By law, the Directors are not permitted to allot new shares (or to grant rights over shares) unless authorised to do so by shareholders. Resolution 9 seeks shareholder authority to allow the Directors to allot shares having an aggregate nominal value of £154,089.43 representing approximately a third of the Company's issued share capital (excluding shares held in treasury) on 27 January 2025. In addition, shareholder authority is sought to allot shares having an aggregate nominal value of £154,089.43 in connection with a pre-emptive rights issue (representing approximately a further third of the Company's issued share capital (excluding shares held in treasury) on 27 January 2025).

Disapplication of pre-emption rights (resolutions 10 and 11)

Resolutions 10 and 11 concern the disapplication of pre-emption rights. Under the Companies Act 2006, all shareholders are entitled to participate on a pre-emptive basis in all issues of shares for cash, unless shareholders have authorised the Directors otherwise.

Paragraph (a) of resolution 10 gives the Directors authority to make arrangements dealing with certain legal, regulatory and practical matters in connection with a pre-emptive issue of shares. Paragraph (b) of resolution 10 gives the Directors the necessary authority to either allot shares or sell shares held in treasury for cash on a non pre-emptive basis up to an aggregate nominal amount of £23,113.41 (being 2,311,341 ordinary shares). This is equivalent to approximately 5% of the issued share capital of the Company (excluding shares held in treasury) on 27 January 2025. This resolution also disapplies statutory pre-emption rights to the extent necessary to facilitate rights issues.

Resolution 11 is being proposed as a separate resolution to authorise the Directors to allot a further approximately 5% of issued ordinary share capital of the Company (excluding shares held in treasury) otherwise than in connection with a pre-emptive offer for the purposes of financing a transaction (or refinancing within 12 months of the transaction) which the Directors determine to be an acquisition or other capital investment contemplated by the Pre-emption Group's Statement of Principles (the 'Pre-emption Group Principles').

These disapplication authorities are in line with the authority sought at last year's AGM and the March 2015 Pre-emption Group Principles. The Pre-emption Group Principles were updated in November 2022 to provide companies with greater flexibility to undertake non-pre-emptive issuances both generally and in connection with acquisitions and specified capital investments (in each case, representing up to 10% of the company's issued share capital (excluding shares held in treasury)). However, notwithstanding the increased flexibility allowed by the revised Pre-emption Group Principles, the Company has, again, decided to seek disapplication authorities in line with those sought in previous years.

The Directors consider that it is appropriate for these authorities to be granted to preserve maximum flexibility for the future. However, the Directors currently have no plans to exercise these powers. The authorities sought will apply until the conclusion of the next AGM of the Company to be held in 2026 or 10 March 2026, whichever is earlier.

Authorisation for the Company to purchase its own shares (Resolution 12)

Resolution 12 seeks authority for the Company to make market purchases (within the meaning of section 693(4) of the Companies Act 2006) of the Company's ordinary shares on such terms and in such a manner as the Directors may determine from time to time, subject to the limitations set out in the resolution. If Resolution 12 is passed, the Company will be authorised to purchase up to a maximum of 4,622,683 ordinary shares, representing approximately 10% of the Company's issued ordinary share capital (excluding shares held in treasury) as at 27 January 2025. Resolution 12 also sets out the minimum and maximum price that the Company may pay for purchases of its ordinary shares.

If Resolution 12 is passed, the authority for the Company to purchase its ordinary shares will remain effective until the conclusion of the next AGM of the Company to be held in 2026 or 10 March 2026, whichever is earlier.

The Directors will only exercise this buy-back authority, after careful consideration, when it is in the best interests of the shareholders generally. Any purchases would be financed out of distributable profits and shares purchased would either be cancelled (and the number of shares in issue reduced accordingly) or held as treasury shares, with a view to using any such shares held in treasury for future distributions to employees.

Form of proxy

Please note you will not receive a form of proxy for the March 2025 AGM in the post. You may vote online which you can do at www.signalshares.com. To register you will need your Investor Code, which can be found on your share certificate. For shares held through CREST, proxy appointments may be submitted via the CREST proxy voting system. Otherwise, you may request a hard copy proxy form directly from our Registrars, MUFG Corporate Markets, via email at shareholderenquiries@cm.mpms.mufg.com or on 0371 664 0391 if calling from the United Kingdom, or +44(0)371 664 0391 if calling from outside the United Kingdom.

Calls are charged at the standard geographical rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 a.m. – 5.30 p.m. Monday to Friday excluding public holidays in England and Wales.

All online votes or proxy appointments should be submitted so as to be received no later than 10.00 a.m. on 7 March 2025.

Recommendation

The Board considers that the resolutions to be proposed at the AGM are in the best interests of the Company and are most likely to promote the success of the Company for the benefit of its members as a whole. The Directors recommend that shareholders vote in favour of each resolution, as the Directors intend to do in respect of their own shareholdings.

External auditor

Cooper Parry Group Limited have issued their independent report on these financial statements to the shareholders of Shoe Zone plc. The report can be found on pages 42 to 48.

The auditor, Cooper Parry Group Limited has indicated their willingness to continue in office and a resolution that they be re-appointed will be proposed at the AGM.

Financial risk management

The Group's operations expose it to a variety of financial risks that include the effects of liquidity risk, foreign currency risk and interest rate risk. The Group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Group by monitoring the management of net cash, and the related finance income and costs. As the Group has both interest bearing assets and interest bearing liabilities, management maintain a close monitoring of the respective balances to ensure any interest rate risk is managed.

The Group does not make significant use of derivative financial instruments but does use forward currency contracts when management consider this to be appropriate. External expert advice is sought from the Group's bankers and relevant advisors on the suitability of these currency contracts in respect of the timings and rate. The Group has no exposure to equity securities. Limited credit risk exposure exists given the high level of cash transactions through the store network. Where credit risk arises management have procedures in place to assess the level of risk to be taken, with approval by the Directors for significant credit transactions. Further information can be found in note 3 to the financial statements.

Directors' responsibilities under section 172 and statement of engagement with suppliers, customers and others in a business relationship with the group.

The directors welcome the requirements under section 172 and schedule 7.11B (1) of the Companies Act 2006. Comments on how the directors have had regard to the interests of various stakeholders whilst making key decisions are contained in the strategic report.

Non-financial and sustainability information

Sustainability report

The Group believes that operating in a safe, ethical and responsible manner is at the heart of creating sustainable value for all our stakeholders.

Environment

As the Group is listed on the LSE AIM market, we fall within the newly introduced Climate-Related Financial Disclosures ("CRFDs") regime. The 4 pillars of this regime are governance, strategy, metrics and targets, and risk management.

This is the second year of CRFD compliance for the business and represents the first stage of our climate disclosure journey. We are fully committed to providing the disclosures and continual improvement in climate risk management and reduction of carbon emissions.

Governance

Our Board oversees our approach to sustainability, including climate change. This is an emerging topic of conversation that the Board takes seriously. The Board meet regularly and identify current and emerging risks and opportunities, review planning and monitor progress. The Board are engaged in various tasks to ensure our governance in regard to sustainability is adhered to which includes but not limited to; engaging a third party to provide us with our energy consumption and the prioritisation of resource and capital to replace inefficient LED lighting and invest in hybrid and electric vehicles. This is a focus for the future.

Strategy

Our strategy comes from the identification of our main impact areas belonging to the categories of greenhouse gas emissions, waste (packaging) and energy consumption.

Our short-term strategy is to:

1. Prioritise risk and opportunities where we can make a material impact.
2. Raise awareness across teams at all levels within the business so their environmental consideration in day-to-day business decisions is greater.
3. Build greater transparency in the way we report and monitor progress.

Risk management

Our approach to identifying, assessing and managing environmental risks, including climate related risk, is embedded within our overall approach to risk management outlined in the Governance section above. Risks and opportunities are identified at both group and subsidiary level.

Our next steps are to establish a Group Risk Register in which ESG would be classed as a material 'current' risk and to refresh this risk identification exercise annually and to canvass a wider pool of colleagues to review our ESG risk and opportunities fully.

Environmental risks may present as financial or non-financial risks depending on the extent to which their impacts can be quantified, and how they have been classified.

Climate-related risks and opportunities

The following classification has been used:

A. Time Horizon – short term (0-3 years), medium term (3-5 years) and long term (10+ years)
B. Transition risks are those risks associated with transition to a net zero economy and can translate into potential financial impacts in the following categories: policy and legal, technology, market, and reputation.
C. Physical risks are those climate change risks such as increased frequency of extreme weather events or sustained impacts from temperature rises.

Transitional risks and opportunities in the short term:

Risk	**Market**	Market volatility across energy and fuel pricing could lead to fluctuating consumer demand and increases in our store and warehouse operating costs and the cost of goods.
Risk	**Policy and legal**	Complying with climate related legislation around enhanced emissions reporting obligations and increased environmental-led taxation. Potential increase in import tariffs. Failure to comply could lead to fines and loss of reputation.
Opportunity	**Reputation**	Our customer proposition reflects changing customer demand and requirements leading to an increase in market share.
Opportunity	**Technology**	Introducing more efficient equipment across our retail and warehouse estate such as energy efficient lighting and improving insulation to reduce consumption and cost. Utilising technology through improved ordering systems to reduce waste, improving reputation. Requires sufficient capital allocation.

Physical risks and opportunities in the medium term

Risk	Business interruption and increased costs due to the failure to respond and mitigate against climate change and resulting increased frequency and severity of extreme weather events, for example increased flooding could directly impact our stores and warehouses, or indirectly through our wider supply chain partners in terms of sourcing or shipping product by causing global shipping issues.
Risk	Extreme variability in weather patterns could lead to sales uncertainty making demand planning difficult and having certainty over sales and profit performance given the seasonable nature of our business.

Scenario analysis

We have conducted peer analysis to understand the number of different scenarios businesses are modelling. We have found that most peers are modelling 2 scenarios, which are:

- 1.5 C by 2100: Orderly transition to the Paris-aligned goal occurring by 2100, with temperature rising 1.5 C above pre-industrial levels.
- 4.0C by 2100: Failure of countries to meet their Paris-aligned goals, resulting in higher emissions and temperatures rising to an average of 4 degrees Celsius above industrial levels.

Some of our peers have gone further, by analysing higher temperature rises or no rise at all. Presently we think the 2 scenarios above are sufficient for giving readers an opportunity to understand the possible transformational effects of climate change. We will continue to assess the appropriateness of our scenarios and will likely alter them over time to reflect a changing environmental landscape and to ensure comparability with our peer group.

Our analysis of physical climate risks are aligned with recognised climate scenarios, specifically the Intergovernmental Panel on Climate Change's (IPCC) Representative Concentration Pathway (RCP) scenarios which provide a uniform framework for exploring potential climate changes and related impacts. RCPs are used globally for climate modelling and give access to a wide range of peer-reviewed and accepted climate datasets, as well as allowing consistency across territories.

1.5 C Scenario

In this scenario, governments around the world would need to meet and exceed their current pledges under the Paris Agreement. They would do this through a combination of energy-demand reductions, decarbonisation of electricity and other fuels, electrification of energy end use, deep reductions in agricultural emissions, and some form of carbon dioxide removal.

The Group sources a large proportion of product from overseas, changes in climate of 1.5 C may have a direct impact on the availability of this product through both extended delivery times and possible regional changes to the locations that currently produce our products, this can be mitigated by longer lead times on orders and planning earlier deliveries for seasonal products.

An increase in compliance costs and reputational impacts are a potential impact on our business. As a retail business, our focus is our customers and our reputation is very important to us. We will ensure we are aware of current and future changes in legislation affecting the Group and will work with industry bodies to identify changes in legislation and the implications on the business.

4.0 C Scenario

Under this scenario, governments fail to meet their pledges under the Paris Agreement. Action is taken to reduce emissions, however, at a slower rate compared to the 1.5 Celsius scenario. Consequently, we would see a much slower reduction in energy consumption and a slower shift towards renewables. The higher temperature increases would lead to a range of physical risks, including heat waves, colder winters, droughts, flooding, and smog to name just a few.

The Group currently has a portfolio of 297 stores, in isolation the effects to individual stores would not have a material impact on Group performance. As the Group operates with a single central warehouse any impacts on services will have an immediate material effect on trade.

Product and services

The Group sources a large proportion of product from overseas, changes in climate of 4 C may have a direct impact on the availability of this product through both extended delivery times and possible regional changes to the locations that currently produce our products, this can be mitigated by longer lead times on orders and planning earlier deliveries for seasonal products.

The Group may incur additional storage costs for products if the phasing of supply is altered, this may include, but not limited to, alternative warehousing facilities at a different location, demurrage charges as product may be held at point of entry and reduced turnover due to delays distributing product to the stores.

Increased severity of extreme weather events will have an effect on retail locations, especially those located on the coast or near to flood plains. Increased flooding in the UK is the most significant physical risk, disrupting our supply chain or causing damage to our assets/stock.

Flood risk

Flooding of warehouse facilities will have an immediate impact on trade, in addition to the impacts on products and services mentioned above any flooding may compromise a large quantity of stock. Our main retail distribution centre is in the Midlands which has a lower risk of being affected by floods than several of our retail locations which are located in high flood risk areas. Whilst the warehouse contains product stored on multiple floors there are limitations as to the capacity on each floor and flooding will cause damage to a proportion of stock. Prolonged denial of access will prevent distribution to the stores and have material impacts on trade.

Mitigations include:

- Business continuity plans to ensure plans are in place and reviewing key infrastructure to minimise impacts from severe weather events.
- Working with experts to identify issues and risks with changes in climate.
- Working with suppliers to understand their climate resilience plans and their key climate effected locations.
- Improving data collection to support climate related reporting requirements and to gain insight.

Energy consumption

Despite all current energy saving measures that have been adopted by the Group an increase of this magnitude would have a significant impact on the Group's energy consumption, leading to additional costs. Fluctuations in the market materially increase the cost of electricity, gas and fuel. We minimise the impact of fluctuations in electricity and fuel costs by providing budget certainty by engaging with consultants.

Metrics and targets

The Group has adopted the following targets:

- Establish carbon reduction plans at all sites across the Group
- Report energy consumption and carbon emissions annually

In FY24 we will set longer term targets across scope 1 and 2 and will continue to work on understanding our wider impact and how we can work with our suppliers if there are areas for collaboration. We recognise the value of regularly tracking progress, are committed to a transparent reporting process and have used the Greenhouse Gas (GHG) protocol and normalised metrics when calculating our GHG performance.

Carbon reduction plans

Carbon and energy reduction targets are being established across the business. FY24 targets will include a reduction to Scope 1 Fuel, and a reduction to Scope 2 Electricity and Gas and to set longer term targets on both.

Our progress to date includes:

- A 29.3% reduction in intensity ratios since FY22.
- We have taken delivery of our first fully electric cars and are moving to hybrid models for the rest of our company car fleet.
- We use 100% renewable energy sources and part of our distribution centre is powered by solar panels.
- Gas boilers are being replaced with efficient heat pumps in a number of stores.
- Our Head office and distribution centre is equipped with highly efficient LED lighting and
- We have a programme in place to better insulate stores and to change to LED lighting as we continue through our refits.

Achieving our FY25 targets includes a number of initiatives including;

- Working with our suppliers to review plastic and cardboard used in packaging and when labelling our products.
- Reviewing and increasing our recycling strategies including initiatives at all of our retail outlets as well as our Distribution Centre and Head Office sites.
- Instigate a policy review into single use plastics.
- Further review of delivery schedules to all of our stores to further improve efficiency and to reduce deliveries and idle time.

Future

- We are currently exploring the possibility of an instore scheme for recycling end of life shoes to reduce overall waste. This initiative is in conjunction with two Universities and a number of footwear retailers.

Reporting energy consumption and carbon emissions

We report greenhouse gas Scope 1, 2 emissions in line with the Streamlined Energy and Carbon Reporting (SECR) regulations.

Our FY25 target is to collate data and understand suppliers plans to enable us to move towards reporting our wider emissions across the Group.

Given the Group makes regular disposals and acquisitions we do not consider absolute carbon emissions to be an appropriate method for tracking emissions, instead we focus on carbon intensity ratios.

Stores track their energy usage from a number of sources, including meter readings, mileage reports, and invoices, then converts these inputs to energy (kWh) and carbon emissions (tCO2e) using relevant conversion factors. Conversion factors are published by the UK Department for Environment, Food and Rural Affairs and the US Environmental Protection Agency (EPA).

Streamlined Energy and Carbon Reporting (SECR)

Energy consumption breakdown (kWh):	**2024**	2023
Electricity	9,393	10,444
Natural gas	1,936	2,225
Transport fuel	4,214	4,177
Totals	**15,543**	16,846
Greenhouse gas emissions (tCO2e):		
Natural gas	354	407
Transport fuel for company vehicles	997	992
Total	**1,351**	1,399
From Purchased Electricity, Steam, Heat & Cooling	1,945	2,163
From Other Activities inc. Process & Fugitive	-	14
Total	**1,945**	2,177
Total gross emissions	**3,296**	3,576
Renewable electricity	(1,909)	(2,036)
Total net emissions	**1,387**	1,540
Intensity ratios		
Annual MWh per £m Turnover	**96.35**	101.69
Annual tCO2e per £m Turnover	**8.60**	9.30

The intensity ratios indicate an improving position if compared to 2023 and 2022.

SECR	**2024**	**2023**	**2022**
Energy consumption (MWH)	15,544	16,846	21,272
Total Net Emissions	1,387	1,540	4,291
Intensity - MWH per Turnover	96.35	101.69	136.22
Intensity - tCO2e per Turnover	8.60	9.30	27.48

Some of the disclosure requirements of the streamlined energy and carbon reporting regulations are included in the non-financial and sustainability information statement above.

Going Concern

The Directors consider that the business is a going concern and that it is appropriate to prepare the financial statements on a going concern basis. In reaching this conclusion, the Directors have assessed the Group's current performance and position and factors that may affect the Group's future prospects.

The business has experienced challenging trading conditions due to unseasonal weather and a weakening in consumer confidence, which resulted in a profit downgrade announced on 18 December 2024. The Directors have reviewed the capital expenditure commitment, staffing levels, additional sales promotions, store numbers and all costs, and will use all of these levers to protect the cash position.

The new store and refit programme results, along with the positive digital performance, combined with the satisfactory cash position gives the Directors a reasonable basis on which to satisfy themselves that the business is a going concern. The Group has prepared forecasts and budgets which shows the Group has sufficient cash to meet its day to day liabilities as they fall due. On that basis, the Directors have prepared the financial statements on a going concern basis.

Directors' responsibilities statement

The Directors are responsible for preparing the strategic report, the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the group financial statements in accordance with UK adopted International Financial Reporting Standards (UK adopted IFRSs) and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Website publication

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Disclosure of information to auditor

Each Director in office at the date of approval of this report has confirmed that:

- So far as they are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- They have taken all reasonable steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor are aware of that information.

Approved by the Board and signed on its behalf:

J. C. P. L.

Chairman
Date: 20 January 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHOE ZONE PLC

Opinion

We have audited the financial statements of Shoe Zone plc (the 'parent company') and its subsidiaries (the 'group') for the 52 weeks ended 28th September 2024 which comprise the consolidated income statement, the consolidated statement of total comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows, the company statement of financial position, the company statement of changes in equity and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 28th September 2024 and of the group's profit for the 52 weeks then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the United Kingdom;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

Conclusions relating to going concern

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

- reviewing management's cash flow forecasts for a period of 12 months from the date of approval of these financial statements;
- applying reasonable "worst case" sensitivities to management's forecasts and assessing remaining cash headroom within those scenarios; and
- review of results post year end to the date of approval of these financial statements and assessment against original budgets.
- review of correspondence relating to the availability of financing agreements.

From our work we noted that the Group has significant cash balances and forecasts support that the Group will continue to be able to meet its liabilities as they fall due. 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.

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the statutory 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 statutory financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Carrying value and impairment of Plant and Equipment and Right of Use Assets in relation to the store portfolio

Matter

The Group has significant plant and equipment and right of use assets in relation to the portfolio of stores it operates. The Group's assessment of the carrying value of assets relating to each store requires significant judgement, in particular regarding cash flows, growth rates and discount rates.

Response

- We obtained information on performance by store in order to assess for indication of impairment.
- We considered historical trading performance by comparing recent growth rates of both revenue and operating profit/loss by store.
- We assessed the appropriateness of the assumptions concerning growth rates and inputs to the discount rates against latest market expectations.
- We performed sensitivity analysis to determine whether an impairment would be required if costs increase at a higher than forecast rate.

IFRS 16 – Leases (Accounting polices, Note 13 Leases – closing right-of-use assets £29.9m, lease liabilities £38.1m)

Matter

The Group has right of use assets in relation to the stores it operates. The Group's IFRS 16 right of use asset register includes a large volume of movements which increases the risk of error, in particular in the related disclosure. The prior year disclosures around leasing were restated in the period as described in note 13.

Response

- We assessed the calculation methodology driving the lease liability and right-of-use asset against the requirements of the accounting standard.
- We tested the accuracy of the right-of-use asset and lease liability figures calculated by re-performing the calculation for a sample of new leases in the year, lease modifications, and lease exits
- We tested completeness through agreeing the brought forward balances to the prior year closing balances in the consolidated financial statements.
- We assessed the accuracy of the disclosure in line with IFRS 16 requirements and re-viewed the underlying reconciliation between the financial statement disclosure, general ledger and lease system.

Our application of materiality

- We define materiality as the magnitude of misstatement in the financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of these financial statements.

- We apply the concept of materiality in planning and performing our audit, in determining the nature, timing and extent of our audit procedures, in evaluating the effect of any identified misstatements, and in forming our audit opinion.

- The materiality for the group financial statements as a whole was set at £890,000. This has been determined with reference to the benchmark of the group's average profit before tax for the past three years given the volatility of profit which we consider to be an appropriate measure for a group of companies such as these. Materiality represents 9% of group profit before tax.

- The materiality for the parent company financial statements as a whole was set at £885,000. This has been determined with reference to the benchmark of the parent company's net assets which we consider to be an appropriate measure for a parent company such as this. Materiality represents 1.3% of the parent company net assets, which we consider to be an appropriate measure for a holding company with investments in trading subsidiaries.

An overview of the scope of our audit

We adopted a risk-based audit approach. We gained a detailed understanding of the group's business, the environment it operates in and the risks it faces.

The key elements of our audit approach were as follows:

Our Group audit scope focused on the Group's principal trading subsidiary, Shoe Zone Retail Limited, which was subject to a full scope audit. Together with the parent company and its group consolidation, which was also subject to a full scope audit, these entities represent the principal business units of the Group and account for 100% of the Group's revenue, 100% of the Group's profit before tax and 99.3% of the Group's total assets. In performing our testing, we utilised performance materiality of £755,000, equating to 85% of materiality.

In order to address the matters described in the Key audit matters section we performed focused audit procedures over these areas, including reference to external market data and publicly available market information in relation to assumptions used.

Other information

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

In connection with our audit of the statutory financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the statutory financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 24, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:
Our assessment focused on key laws and regulations the group has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key

laws and regulations included but were not limited to compliance with the Companies Act 2006, International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom, and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the Group and the parent company and determined that the most significant laws and regulations which are directly relevant to specific assertions in the financial statements are those related to the financial reporting framework, being international accounting standards in conformity with the Companies Act 2006;
- obtaining an understanding of how the Group is complying with those legal and regulatory frameworks by making enquiries of management, those responsible for legal and compliance procedures and the Company Secretary. We corroborated our enquiries through our review of board minutes;
- obtaining an understanding of the entity's policies and procedures and how the entity has complied with these, through discussions and sample testing of controls;
- obtaining an understanding of the entity's risk assessment process, including the risk of fraud;
- designing our audit procedures to respond to our risk assessment; and
- performing audit testing over the risk of management override of controls, our audit procedures involved:
  - testing of journal entries and other adjustments for appropriateness, with a focus on manual journals including those with unusual account combinations and those posted directly to the consolidation that increased revenue or that reclassified costs from the profit and loss account to the balance sheet;
  - evaluating the business rationale of significant transactions outside the normal course of business;
  - challenging assumptions and judgements made by management in its significant accounting estimates, specifically those in relation to the dilapidation provision, the defined benefit pension scheme position and the value of the derivative financial instruments.
  - including testing of journal entries with a focus on material manual journals and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult that detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery, or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we could become aware of it.
- The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify and recognise non-compliance with laws and regulations through the following:
  - Understanding of, and practical experience with, audit engagement of a similar nature and complexity, through appropriate training and participation; and
  - Knowledge of the industry in which the client operates.

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

Use of our report

This report is made solely to the group's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group'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 group and the group's members as a body, for our audit work, for this report, or for the opinions we have formed.

Catherine Kelly (Senior Statutory Auditor)
For and on behalf of Cooper Parry Group Limited
Chartered Accountants and Statutory Auditor
Sky View
Argosy Road
East Midlands Airport
Castle Donnington
Derby
DE74 2SA

Date: 20 January 2025

CONSOLIDATED INCOME STATEMENT FOR THE 52 WEEKS ENDED 28 SEPTEMBER 2024

	Note	**52 weeks ended 28 September 2024**	52 weeks ended 30 September 2023
		£'000	£'000
Revenue	4, 8	**161,322**	165,657
Cost of sales	5	**(125,802)**	(124,805)
Gross profit		**35,520**	40,852
Administration expenses	5	**(18,540)**	(18,791)
Distribution costs	5	**(5,660)**	(5,311)
Profit from operations		**11,320**	16,750
Finance income	9	**-**	-
Finance expense	9	**(1,204)**	(568)
Profit before taxation		**10,116**	16,182
Taxation	10	**(2,699)**	(2,962)
Profit attributable to equity holders of the parent		**7,417**	13,220
Earnings per Share – basic and diluted	28	**16.04p**	27.79p

The notes on pages 54 to 93 form part of these financial statements.

CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE 52 WEEKS ENDED 28 SEPTEMBER 2024

	Note	**52 weeks ended 28 September 2024**	Restated* 52 weeks ended 30 September 2023
		£'000	£'000
Profit/(Loss) for the period		**7,417**	13,220
Items that will not be reclassified subsequently to the income statement			
Remeasurement gains/(loss) on defined benefit pension scheme	25	**539**	(2,054)
Movement in deferred tax on pension schemes	20	**(135)**	513
Items that will be reclassified subsequently to the income statement			
Fair value movements on cash flow hedges		**(649)**	(295)
Tax on cash flow hedges		**162**	54
Other comprehensive expense for the year		**(83)**	(1,782)
Total comprehensive income for the year attributable to equity holders of the parent		**7,334**	11,438

The notes on pages 54 to 93 form part of these financial statements.

This note has been restated to remove the previously stated loss of £7,125k, in respect of the company's share buy-back programme. This was inconsistent with the requirements of IAS 1. This loss is stated in the statement of consolidated changes in equity.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 28 SEPTEMBER 2024

Registered Number : 08961190

	Note	**52 weeks ended 28 September 2024**	52 weeks ended 30 September 2023
Assets			
Non-current assets		**£'000**	£'000
Property, plant and equipment	12	**23,938**	19,178
Right of use assets	13	**29,850**	25,751
Deferred tax asset		**-**	529
Total non-current assets		**53,788**	45,458
Current assets			
Inventories	14	**37,951**	33,752
Trade and other receivables	15	**4,472**	3,219
Cash and cash equivalents	26	**3,640**	16,354
Deferred tax asset	20	**176**	-
Corporation tax asset		**525**	58
Total current assets		**46,764**	53,383
Total assets		**100,552**	98,841
Current liabilities			
Trade and other payables	17	**(27,843)**	(24,353)
Lease liabilities	13	**(9,696)**	(13,071)
Provisions	18	**(2,707)**	(1,026)
Total current liabilities		**(40,246)**	(38,450)
Non-current liabilities			
Lease liabilities	13	**(25,266)**	(22,219)
Provisions	18	**(767)**	(2,766)
Employee benefit liability	25	**(1,629)**	(2,054)
Total non-current liabilities		**(27,662)**	(27,039)
Total liabilities		**(67,908)**	(65,489)
Net assets		**32,644**	33,352
Equity attributable to equity holders of the Company			
Called up share capital	21	**463**	463
Merger reserve		**2,662**	2,662
Capital redemption reserve		**37**	37
Cash flow hedge reserve		**(75)**	412
Retained earnings		**29,557**	29,778
Total equity and reserves		**32,644**	33,352

The notes on pages 54 to 93 form part of these financial statements. The financial statements were approved and authorised for issue by the Board of Directors and were signed on its behalf by:

Charles Smith, Chief Executive, Date: 20 January 2025

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 52 WEEKS ENDED 28 SEPTEMBER 2024

	Share capital £'000	Capital redemption reserve £'000	Merger reserve £'000	Cash flow hedge reserve £'000	Retained earnings £'000	Total £'000
At 2 October 2022	495	5	2,662	653	33,428	37,243
Profit for the year	-	-	-	-	13,220	13,220
Defined benefit pension movements	-	-	-	-	(2,054)	(2,054)
Cash flow hedge movements	-	-	-	(295)	-	(295)
Deferred tax on other comprehensive income	-	-	-	54	513	567
Total comprehensive income for the year	(32)	32	-	(241)	11,679	11,438
Dividends paid during the year (note 11)	-	-	-	-	(8,204)	(8,204)
Share buy back					(7,125)	(7,125)
Total contributions by and distributions to owners	-	-	-	-	(15,329)	(15,329)
At 30 September 2023	463	37	2,662	412	29,778	33,352
At 1 October 2023						
Profit for the year	-	-	-	-	7,417	7,417
Defined benefit pension movements	-	-	-	-	539	539
Cash flow hedge movements	-	-	-	(649)	-	(649)
Deferred tax on other comprehensive income	-	-	-	162	(135)	27
Total comprehensive income for the year	-	-	-	(487)	7,821	7,334
Dividends paid during the year (note 11)	-	-	-	-	(8,042)	(8,042)
Total contributions by and distributions to owners	-	-	-	-	-	-
At 28 September 2024	**463**	**37**	**2,662**	**(75)**	**29,557**	**32,644**

The above statement of changes in equity is restated to reflect the movement of the share buy back from other comprehensive income.

Share capital comprises the nominal value of shares subscribed for. The capital redemption reserve represents share purchased by the company back from shareholders.

The capital redemption reserve has arisen following the cancellation of shares purchased by the company from shareholders.

The merger reserve has arisen as a result of the application of merger accounting to the group reorganisation on 26 March 2014.

The cash flow hedge reserve comprises of gains/losses arising on the effective portion of hedging instruments and is carried at fair value in a qualifying cash flow hedge.

Retained earnings are all other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE 52 WEEKS ENDED 28 SEPTEMBER 2024

	Note	**52 weeks ended 28 September 2024**	Restated 52 weeks ended 30 September 2023
		£'000	£'000
Operating activities			
Profit after tax		**7,417**	13,220
Corporation tax charge		**2,699**	2,962
Finance income		**-**	-
Finance expense		**1,204**	568
Depreciation of property, plant and equipment	12	**5,907**	3,929
Fixed asset impairment and loss on disposal of property, plant and equipment and right of use asset	12	**838**	369
Right-of-use asset, depreciation and impairment	13	**11,793**	12,846
		29,858	33,894
(Increase)/decrease in trade and other receivables	15	**(1,253)**	2,852
Decrease in foreign exchange contract	16	**(756)**	(295)
Increase in inventories	14	**(4,199)**	(1,564)
Increase in trade and other payables	17	**459**	1,695
(Decrease)/increase in provisions	18	**(318)**	22
		(6,067)	2,710
Cash generated from operations		**23,791**	36,604
Net corporation tax paid	10	**(2,679)**	(4,171)
Net cash flows from operating activities		**21,112**	32,433
Investing activities			
Purchase of property, plant and equipment	12	**(11,505)**	(11,372)
Proceeds from sale of PPE		**-**	478
Net cash used in investing activities		**(11,505)**	(10,894)
Share buy-back	21	**-**	(7,125)
Capital element of lease repayments		**(14,475)**	(14,459)
Interest received		**196**	176
Dividends paid during the year	11	**(8,042)**	(8,204)
Net cash used in financing activities		**(22,321)**	(29,612)
Net increase in cash and cash equivalents		**(12,714)**	(8,073)
Cash and cash equivalents at beginning of year		**16,354**	24,427
Cash and cash equivalents at end of year	26	**3,640**	16,354

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 28 SEPTEMBER 2024

1. ACCOUNTING POLICIES

General information

Shoe Zone plc (the 'Company') is a public company incorporated and domiciled in England and Wales. The registered office is at Haramead Business Centre, Humberstone Road, Leicester, LE1 2LH. The registered number of the Company is 08961190.

The Company and its subsidiaries' (collectively the Group) principal activity is footwear retailing.

Basis of preparation

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied for the 52 weeks ended 28 September 2024 (2023: 52 weeks ended 30 September 2023).

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and Interpretations (collectively IFRSs) issued by the International Accounting Standards Board (IASB) as adopted by the UK ('UK adopted IFRSs') and those parts of the Companies Act 2006 that are applicable to companies that prepare financial statements in accordance with IFRS.

The consolidated financial statements have been prepared on a going concern basis and under the historical cost convention, as modified for the revaluation of certain financial assets and financial liabilities at fair value.

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Group's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in note 2.
The consolidated financial statements are presented in Sterling, which is also the Group's functional currency.

Amounts are rounded to the nearest thousand, unless otherwise stated.

Basis of consolidation

The consolidated financial statements incorporating the financial statements of Shoe Zone plc and its subsidiary undertakings are all made up to 28 September 2024. The results for all subsidiary companies are consolidated using the acquisition method of accounting.

Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

1. ACCOUNTING POLICIES CONTINUED

The consolidated financial statements present the results of the Company and its subsidiaries ('the Group') as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated income statement from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

Going Concern

The Directors consider that the business is a going concern and that it is appropriate to prepare the financial statements on a going concern basis. In reaching this conclusion, the Directors have assessed the Group's current performance and position and factors that may affect the Group's future prospects.

The business has experienced challenging trading conditions due to unseasonal weather and a weakening in consumer confidence, which resulted in a profit downgrade announced on 18 December 2024. The Directors have reviewed the capital expenditure commitment, staffing levels, additional sales promotions, store numbers and all costs, and will use all of these levers to protect the cash position.

The Directors have reviewed forecasts and projections and consider that the Group has adequate banking facilities and cash resources to meet its operational and capital commitments, and, on that basis, the Directors have prepared the financial statements on a going concern basis.

Revenue

Revenue is measured at the fair value of the consideration received, or receivable, and represents amounts receivable for goods supplied, stated net of discounts, return and value added taxes. In the case of goods sold through retail stores, revenue is recognised when we have satisfied the performance obligation of transferring the goods to the customer at the point of sale. In the case of goods sold on the internet, revenue is recognised when we have satisfied the performance obligation of transferring the goods to the customer, which is at the point of delivery to the customer.

At the point of sale, a provision is made for the level of expected returns based on previous experience.

Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost. As well as purchase price, cost includes directly attributable costs.

Depreciation is provided on all items of property, plant and equipment so as to write off their carrying value over the expected useful economic lives. It is provided at the following rates:

1. ACCOUNTING POLICIES CONTINUED

Freehold and long leasehold	-	50 years on a straight line basis
Short leasehold and leasehold improvements	-	5-10 years on a straight line basis
Fixtures and fittings	-	5-10 years on a straight line basis
Motor vehicles	-	3-5 years on a straight line basis

No depreciation is provided against freehold land. Depreciation is provided against freehold shop properties writing off the original cost less estimated residual value over the useful economic life of the property which is estimated to be 50 years.

Assets under construction

Whilst held under assets under construction, no depreciation is charged on the assets. Once the project is completed, the asset will be transferred to the correct fixed asset category.

Impairment of non-financial assets

The carrying values of non-financial assets are reviewed in conjunction with an independent third party for impairment when there is an indication that assets might be impaired. When the carrying value of an asset exceeds its recoverable amount, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash generating unit (i.e. the smallest group of assets in which the asset belongs for which there are separable identifiable cash flows).

Impairment charges are included in the consolidated income statement in cost of sales, except to the extent they reverse previous gains recognised in the consolidated statement of total comprehensive income.

Inventories

Inventories are initially recognised at cost on a first in first out basis, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Financial assets

The Group classified its financial assets into the categories, discussed below, due to the purpose for which the asset was acquired. The Group has not classified any of its financial assets as held to maturity.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Cash and cash equivalents include cash in hand and deposits held at call with banks.

1. ACCOUNTING POLICIES CONTINUED

Loans and receivables

Loans and receivable assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The Group's loans and receivables comprise trade and other receivables and cash and cash equivalents included within the consolidated statement of financial position.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the consolidated income statement. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Financial liabilities

The Group classified its financial liabilities as other financial liabilities which include the following:

- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.
- Finance costs are charged to the income statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Derivative financial instruments and hedging activities

Hedge accounting is applied to financial assets and financial liabilities only where all of the following criteria are met:

At the inception of the hedge relationship the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

1. ACCOUNTING POLICIES CONTINUED

- There is an economic relationship between the hedged item and hedged instrument;
- The effect of credit risk does not dominate the value changes that result from that economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument the Group actually uses to hedge the quantity of the hedged item.

The Group uses derivative financial instruments such as forward foreign exchange contracts to hedge its risks associated with foreign currency fluctuations. Such derivative financial instruments are initially measured at fair value and subsequently remeasured at fair value. The fair value of forward foreign exchange contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in cost of sales in the income statement.

Amounts accumulated in equity are reclassified to inventories in the period when the purchase occurs, matching the hedged transaction. The cash flows are expected to occur and impact on profit and loss within 12 months from the year end.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in equity is retained in equity and is recognised when the forecast transaction is ultimately recognised in cost of sales in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the statement of financial position differs from its tax base.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the deferred tax liabilities or assets are settled or recovered. Deferred tax balances are not discounted.

1. ACCOUNTING POLICIES CONTINUED

Deferred tax assets are offset when the Group has legally enforceable rights to set off current tax assets against current tax liabilities and the deferred tax liabilities relate to taxes levied by the same tax authority on either:

- the same taxable group company; or
- different company entities which intend to either settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets and liabilities are expected to be settled or recovered.

Provisions

Provision for dilapidations is made at the best estimate of the expenditure required to settle the obligation at the reporting date, where material, discounted at the pre-tax rate reflecting current market assessments of the time value of money and risks specific to the liability. A dilapidation provision is only recognised on those properties which are likely to be exited. Where such property is identified the full costs expected are recognised. This provision relates to the liability of 'wear and tear' incurred on the leasehold properties and does not include any removal of shop refits as experience indicates that liabilities do not arise for removal of shop refits. Dilapidations are not included in IFRS 16 as they relate to 'wear and tear' and not structural alterations to the buildings.

Foreign exchange

Transactions entered into the Group entities in a currency other than the functional currency are recorded at the average monthly rate prevailing during the year. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date.

Foreign exchange differences are recognised in the income statement.

Retirement benefits – defined contribution and benefit schemes

The Group operates both defined benefit and defined contribution funded pension schemes. The schemes are administered by trustees and are independent of the Group.

Contributions to defined contribution schemes are charged to the consolidated income statement in the year to which they relate.

1. ACCOUNTING POLICIES CONTINUED

Defined benefit scheme surpluses and deficits are measured at:

- the fair value of plan assets at the reporting date; less
- plan liabilities calculated using the projected unit credit method discounted to its present value using yields available on high quality corporate bonds that have maturity dates approximating to the terms of the liabilities; plus
- unrecognised past service costs; less
- the effect of minimum funding requirements agreed with scheme trustees.

Re-measurements of the net defined obligation are recognised directly within equity. These include actuarial gains and losses, return on plan assets (interest exclusive) and any asset ceilings (interest exclusive).

Service costs are recognised in the income statement, and include current and past service costs as well as gains and losses on curtailments.

Net interest expense (income) is recognised in the income statement, and is calculated by applying the discount rate used to measure the defined benefit obligation (asset) at the beginning of the annual period to the balance of the net defined benefit obligation (asset), considering the effects of contributions and benefit payments during the year.

Gains or losses arising from changes to scheme benefits or scheme curtailments are recognised immediately in the income statement.

Settlements of defined benefit schemes are recognised in the period in which the settlement occurs.

A net pension asset may only be recognised when the group has an unconditional right to a refund or to reductions in future contributions. As a result, no asset has been recognised at year end.

Dividends

Dividends, including interim dividends, are recognised when they become legally payable. In the case of final and special dividends, this is when approved by the shareholders at the AGM.

Lease accounting

The Group leases various properties as well as vehicles under lease agreements. At inception of a contract the Group assesses whether the contract contains a lease. A lease is present where the contract grants the right to control the asset for a period of time in exchange for consideration. Where a lease is identified a right of use asset and a corresponding lease liability is recognised, other than leases classed as "Short term," less than 12 months, or "Low value," under the available exemptions. Where the exemption has been taken advantage of, the lease cost are recognised on a straight-line basis over the life of the lease within the Consolidated Income Statement.

1. ACCOUNTING POLICIES CONTINUED

The lease payments are discounted using the Group's incremental borrowing rate of 6.46%.

Lease payments included within the initial recognition include:
- Fixed payments (including in-substance fixed payments)
- Variable lease payments that depend on an index or rate at the commencement date
- Amounts expected to be payable by the lessee under residual value guarantees
- Exercise price of a purchase option if the Group is reasonably certain to exercise that option
- Payments for penalties for terminating the lease if the lease term reflects the Group exercising the option

Lease liability- subsequent measurement

The lease liability is subsequently measured by increasing the carrying value to reflect interest on the lease liability and by reducing the carrying value to reflect the lease payments.

Lease liability- remeasurement
The lease liability is remeasured where:
- Change in the assessment of the original lease information; being a change in the lease term or exercise of a purchase option.
- Lease payments change due to a change in an index or a rate or a change in expected payment under the residual value guarantee
- The lease contract is modified and the lease modification isn't treated as a separate lease

Right of use asset- initial recognition

The right of use asset comprises of the following:
- Initial measurement of the lease liability
- Any lease payments made at the commencement date, less any lease incentives received
- Any initial direct costs incurred by the group in taking out the lease
- Estimate of costs to be incurred by the group to restore the underlying asset to the condition required by the lease

Right of use asset- subsequent measurement

The right of use asset is depreciated over the shorter of the lease term and useful life of the asset on a straight line basis.
- If a change in contract has been identified, see the "Lease liability- remeasurement" section for further information, the right of use asset will also be adjusted.
- An impairment review will be undertaken in-line with the group impairment policy, as further described in note 1, any identified impairment will be recognised against the right of use asset.
- Where the lease liability is remeasured an equivalent adjustment is made to the right of use asset unless its carrying value is reduced to zero, in which case the adjustment is recognised in the consolidated income statement.
- When the lease liability is remeasured a revised discount rate is used based on the contract, or if none is available the Groups incremental borrowing rate.

ACCOUNTING POLICIES CONTINUED

Sale and leaseback

A sale and leaseback transaction is where the Group sells an asset and immediately reacquires the use of the asset by entering into a lease with the counterparty. If a sale and leaseback meets the criteria for a sale under IFRS 15 the transaction will be accounted for under IFRS 16. The group measures the right-of-use asset arising for the leaseback in proportion to the carrying balance of the asset directly before the sale and this will be recognised as an addition to the right of use asset and lease liability. The previous balance held for the asset will be de-recognised in its entirety. For any sales that don't meet the recognition criteria under IFRS 15 a finance liability will be recognised for the consideration received.

For any sale and leaseback assets that are sold at above the market value of the asset these are accounted for as additional financing provided by the counterparty and be recognised as an increased lease liability for the amount.

NEW ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS AND STANDARDS IN ISSUE BUT NOT YET EFFECTIVE

The Group has not early adopted any new accounting standard, interpretation or amendment that has been issued but is not effective.

The Group has applied for the first time the following new standards:

- Annual Improvements to IFRS Standards 2018-2020 Cycle - amendments to IAS 1, IFRS 9 and IFRS 16
- Amendments to IFRS 3 – Reference to the Conceptual Framework
- Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before intended use
- Amendment to IAS 37 – Onerous Contracts: Cost of Fulfilling a Contract
- Interest Rate Benchmark Reform – Phase 2 – amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

By adopting the above, there has been no material impact on the Financial Statements.

At the date of authorisation of these consolidated Financial Statements, there are no standards in issue from the International Accounting Standards Board ("IASB") or International Financial Reporting Interpretations Committee ("IFRIC") which are effective for annual accounting periods beginning on or after 28 September 2024 that will have a material impact on these Financial Statements.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Shoe Zone plc Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. 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 discussed below.

Accounting estimates and assumptions

Retirement benefits:

The Groups' defined benefit schemes' pension surplus/obligation, which is assessed each period by actuaries, is based on key assumptions including discount rates, mortality rates, inflation, future salary costs and pension costs. These assumptions, individually or collectively, may be different to actual outcomes; refer to note 25 for further details. A net pension asset may only be recognized when the group has an unconditional right to a refund or to reductions in future contributions. As a result, no asset has been recognised at year end.

Estimated impairment of store assets:

The Group tests whether store assets, being IFRS 16 right-of-use assets and associate leasehold improvements, fixtures and fittings, have suffered any impairment in accordance with the accounting policies stated in note 1.

The recoverable amount of cash-generating units is determined on a value-in-use calculation. For impairment testing purposes the Group has determined that each store is a separate CGU. The recoverable amount is calculated based on the Group's latest forecast cash flows which are then extrapolated to cover the period to the break date of the lease taking into account historic performance and knowledge of the current market, together with the Group's views of future profitability of each CGU. The method requires an estimate of future cash flows and the selection of a suitable discount rate in order to calculate the net present value of cash flows.

The value in use is calculated based on five year cash flow projections. The key assumptions in the calculations are the sales growth rates, gross margin rates, changes in the operating cost base and the pre-tax discount rate derived from the Group's weighted average cost of capital using the capital asset pricing model, the inputs of which include a risk-free rate, equity risk premium and a risk adjustment (Beta). Given the number of assumptions used the assessment involves significant estimation uncertainty.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The key assumptions, which are equally applicable to each CGU, in the cash flow projections used to support the carrying amount of store assets were as follows:

Key assumptions FY24	Year 1	Year 2	Year 3	Year 4	Year 5
Sales increase	(1.8)%	3%	3%	1.2%	1.2%
Existing gross margin movement	0.5%	2%	0%	0%	0%
Operating cost increase pre annum	6.0%	4%	3%	3%	3%
Discount rate	12%	12%	12%	12%	12%
Terminal growth rate	2%	2%	2%	2%	2%
Key assumptions FY23	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**
Sales increase	2%	1%	1%	1%	1%
Existing gross margin movement	2%	1%	0%	0%	0%
Operating cost increase pre annum	2.8%	1.8%	1.5%	1.5%	1.0%
Discount rate	8.5%	8.5%	8.5%	8.5%	8.5%
Terminal growth rate	2%	2%	2%	2%	2%

The Group has performed a sensitivity analysis on the impairment tests for its store portfolio using various reasonably possible scenarios. An increase of three percentage points in the post-tax discount rate would have resulted in an increase to the impairment charge of £89,000. A decrease of one percentage point in the growth rate after year three would have resulted in an increase to the impairment charge of £89,000 PPE, Right of use asset £92,000.

Estimated useful life of property, plant and equipment:

At the date of capitalising property, plant and equipment, the Group estimates the useful life of the asset based on management's judgement and experience. Due to the significance of capital investment to the Group, variances between actual and estimated useful economic lives could impact results both positively and negatively.

Judgements

Foreign currency hedge accounting:

Group policy is to adopt hedge accounting for cash flows for the purchase of goods for resale. Due to the degree of judgement in determining forecast cash flows there is a risk that the assumptions made in the effectiveness testing are inappropriate.

Leases:

Discount rate - The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 28 September 2024 was 6.46%. If the discount rate was changed by 1% this would result in an increase of assets in excess of £300,000.

3. FINANCIAL INSTRUMENTS – RISK MANAGEMENT

The Board has overall responsibility for the determination of the Group's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. The Group reports in Pound Sterling. All funding requirements and financial risks are managed based on policies and procedures adopted by the Board of Directors. The Group does use forward currency contracts to mitigate foreign exchange risk. The Group does not issue or use financial instruments of a speculative nature.

The Group is exposed to the following financial risks:

- credit risk;
- liquidity risk; and
- foreign exchange risk.

The Group is exposed to risks that arise from its use of financial instruments. The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- trade and other receivables;
- cash and cash equivalents;
- forward foreign exchange contracts; and
- trade and other payables.

Fair value hierarchy

All financial instruments measured at fair value must be classified into one of the levels below:

- Level 1: Quoted prices in active markets;
- Level 2: Level 1 quoted prices are not available, but fair value is based on observable market data; and
- Level 3: Inputs that are not based on observable market data.

The comparative note below has been restated to correct an error within the disclosure and reflect the correct position at 30 September 2023.

3. FINANCIAL INSTRUMENTS – RISK MANAGEMENT CONTINUED

	28 September 2024	Restated 30 September 2023
	£'000	£'000
Financial assets		
Financial assets at amortised cost		
Trade receivables	**435**	411
Other receivables	**930**	357
Cash and cash equivalents	**3,640**	16,354
Total receivables and cash	**5,005**	17,122
Financial assets at fair value through profit or loss	**-**	56
Financial assets at fair value through other comprehensive income	**-**	253
Total financial assets	**5,005**	17,431

	28 September 2024	30 September 2023
	£'000	£'000
Financial liabilities		
Financial liabilities at amortised cost		
Trade and other payables	**23,004**	22,950
Financial liabilities at fair value through other comprehensive income		
Financial liabilities at fair value through profit and loss	**375**	-
Financial liabilities at fair value through other comprehensive income	**612**	-
Total financial liabilities	**23,991**	22,950

3. FINANCIAL INSTRUMENTS – RISK MANAGEMENT CONTINUED

To the extent financial instruments are not carried at fair value in the consolidated statement of financial position, book value approximates to fair value at 28 September 2024 and 30 September 2023.

Trade and other receivables are measured at amortised cost. Book values and expected cash flows are reviewed by the Board and any impairment charged to the consolidated income statement in the relevant period.

Cash and cash equivalents are held in Pound Sterling and placed on deposit in UK banks.

Trade and other payables are measured at amortised cost.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counter-party to a financial instrument fails to meet its contractual obligations. At 28 September 2024 the Group has trade receivables of £435,000 (2023: £411,000).

£237,000 of the balance relates to payments due from a single large multinational supplier, no other balance exceeds £50,000 and these are considered immaterial by the company.

The Directors are unaware of any factors affecting the recoverability of outstanding balances at 28 September 2024 and previously and consequently no provisions have been made for expected credit losses.

All cash balances and derivative financial instruments are held with reputable banks and service providers and the Board monitors its exposure to counterparty risk on an on-going basis.

Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due.

Trade payables are repayable within 3 months. The Group prepares and maintains detailed cash flow forecasts to monitor cash requirements and manage liquidity risk.

3. FINANCIAL INSTRUMENTS – RISK MANAGEMENT CONTINUED

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

At 28 September 2024	Up to 3 months £'000	Between 3 and 12 months £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000
Trade and other payables	**23,991**	**-**	**-**	**-**	**-**
Total financial liabilities	**23,991**	**-**	**-**	**-**	**-**

At 30 September 2023	Up to 3 months £'000	Between 3 and 12 months £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000
Trade and other payables	22,950	-	-	-	-
Total	22,950	-	-	-	-

Foreign exchange risk

The Group is predominantly exposed to foreign exchange risk on purchases from major suppliers based in the Far East. Purchases are made on a central basis and the risk is mitigated using forward foreign currency exchange contracts.

The fair value of forward foreign exchange contacts has been determined based on discounted market forward currency exchange rates at the statement of financial position date.

Foreign currency: Sensitivity Analysis

A sensitivity rate of 10% represents the Directors' reasonable assessment of a possible change, based on historic volatility.

The analysis assumes that exchange rate fluctuations on currency derivatives that form part of an effective cash flow hedge relationship affect the fair value reserve in equity and the fair value of the hedging derivatives. For foreign exchange derivatives which have ceased to have a hedging relationship, these movements in exchange rates impact the income statement.

Positive figures represent an increase in profit or equity.

3. FINANCIAL INSTRUMENTS – RISK MANAGEMENT CONTINUED

	Income Statement		Equity	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Sterling strengthens by 10%	**(678)**	(25)	**(1,337)**	265
Sterling weakens by 10%	**829**	802	**1,681**	(546)

Year-end exchange rates applied in the above analysis are US Dollar 1.34 (2023: 1.23). Strengthening and weakening of Sterling may not produce symmetrical results depending on the proportion and nature of foreign exchange derivatives which cease to qualify for hedge accounting.

Interest rate risk

The Group is exposed to interest rate risk which is managed centrally. The Group reviews the exposure periodically and will manage its interest rate risk by reviewing appropriate facilities.

Capital management

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

The Group's capital is made up of share capital, merger reserve, capital redemption reserve, cash flow hedge reserve and retained earnings totalling £32,644,000 (30 September 2023: £33,352,000).

The Group's objectives when maintaining capital are

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The capital structure of the Group consists of shareholders' equity as set out in the consolidated statement of changes in equity. All working capital requirements are planned to be financed from existing cash resources whenever possible.

4. REVENUE

	52 weeks ended 28 September 2024	52 weeks ended 30 September 2023
	£'000	£'000
Revenue arises from:		
Sales of goods	**161,322**	165,657

5. EXPENSES BY NATURE

	52 weeks ended 28 September 2024	52 weeks ended 30 September 2023
	£'000	£'000
Inventories recognised as an expense	**61,521**	62,542
Employee benefit expenses	**38,845**	38,784
Depreciation and impairment charge of property, plant and equipment	**6,333**	4,062
Depreciation and impairment charge of right of use assets	**11,793**	12,846
Rentals under operating leases:		
Land and buildings	**738**	725
Other	**34**	6
Loss/(gain) on disposal of property, plant and equipment	**67**	(282)
Loss on disposal of right-of-use assets	**(126)**	(393)
Administration expenses	**3,919**	3,791
Loss/(Gain) on Foreign Exchange	**(132)**	616
Other costs	**27,010**	26,210
	150,002	148,907

6. AUDITOR'S REMUNERATION

	52 weeks ended 28 September 2024	52 weeks ended 30 September 2023
	£'000	£'000
The audit of the parent company	**16**	15
Audit of subsidiary financial statements pursuant to legislation	**85**	66
Other services	**9**	21
	110	102

7. EMPLOYEE BENEFIT EXPENSES

	52 weeks ended 28 September 2024 £'000	52 weeks ended 30 September 2023 £'000
Employee benefit expenses (including Directors) comprise:		
Wages and salaries	**35,606**	35,670
Social security costs	**2,079**	2,046
Other pension costs	**1,160**	1,068
	38,845	38,784

The average monthly number of employees during the year was as follows:

	52 weeks ended 28 September 2024 No.	52 weeks ended 30 September 2023 No.
Sales and distribution	**2,310**	2,440
Directors	**5**	5
Administration	**149**	148
	2,464	2,593

The average monthly number of full time equivalent employees during the period was 1,237 (2023: 1,302).

Shoe Zone plc does not employ any members of staff and has no staff costs during the year (2023: Nil).

	52 weeks ended 28 September 2024 £'000	52 weeks ended 1 October 2023 £'000
Directors' remuneration, included in staff costs:		
Salaries and benefits	**980**	1,187
Pension contributions	**61**	17
	1,041	1,204
Information regarding the highest paid Director is as follows:		
Salary and benefits	**445**	560
	445	560

8. SEGMENTAL INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the management team including the Chairman, Chief Executive and Finance Director.

The Board considers that each store is an operating segment but there is only one reporting segment as the stores qualify for aggregation, as defined under IFRS 8. The Directors now consider Digital to be its own operating segment. Management reviews the performance of the Group by reference to total results against budget. The total profit measures are operating profit and profit for the year, both disclosed on the face of the consolidated income statement. No differences exist between the basis of preparation of the performance measures used by management and the figures in the Group financial statements.

	52 weeks ended 28 September 2024 £'000	52 weeks ended 30 September 2023 £'000
Revenue		
United Kingdom stores	**125,594**	134,078
Digital	**35,248**	30,966
Other	**480**	613
	161,322	165,657

There are no customers with turnover in excess of 10% of total turnover.

	52 weeks ended 28 September 2024 £'000	52 weeks ended 30 September 2023 £'000
Non-current assets by location:		
United Kingdom	**53,788**	44,929
	53,788	44,929

Digital non-current and current assets have not been disclosed due to the immaterial value. The UK store contribution is £22.2m (2023: £30.5m) and digital contribution is £9.0m (2023: £8.6m), the total contribution being £28.8m. The difference between this and the stated profit before tax on the consolidated income statement, is the remaining head office and central warehousing costs, financing charges and interest.

The deferred tax asset of £176,000 (2023: £529,000) is unallocated.

9. FINANCE INCOME AND EXPENSES

	52 weeks ended 28 September 2024	52 weeks ended 30 September 2023
	£'000	£'000
Finance expense		
Interest expense on lease liability	**(1,285)**	(744)
Interest received on bank deposits	**203**	182
Net interest expense on defined benefit pension scheme (note 25)	**(114)**	-
Other finance expense	**(8)**	(6)
Total finance expense	**(1,204)**	(568)

10. INCOME TAX

	52 weeks ended 28 September 2024	Restated 52 weeks ended 30 September 2023
	£'000	£'000
Current tax expense		
Current tax on profit for the year	**2,157**	2,664
Adjustment for under/(over) provision in prior years	**55**	(511)
Total current tax	**2,212**	2,153
Deferred tax expense		
Adjustment for under/(over) provision in prior years	**64**	(222)
Current deferred tax charge	**423**	1,031
Taxation charge	**2,699**	2,962

The reason for the difference between the actual tax charge for the period and the standard rate of corporation tax in the United Kingdom applied to profit for the period is as follows:

	52 weeks ended 28 September 2024	Restated 52 weeks ended 30 September 2023
	£'000	£'000
Profit for the year	**7,417**	13,220
Income tax charge	**2,699**	2,962
(Profit / (loss) before income taxes	**10,116**	16,182
Expected tax charge based on corporation tax rate of 25%	**2,529**	3,560
Expenses not deductible for tax purposes	**(308)**	110
Effective change of rate	**423**	25
Adjustments to tax charge in respect of previous period	**55**	(733)
Total tax charge	**2,699**	2,962

*The allocation of the deferred tax charge for the year ended 30 September 2023 has been updated to reflect the appropriate split between amounts relating to the current year and amounts relating to under/(over) provision in the prior year. The total deferred tax charge is unchanged. The reconciliation of tax charge has been updated accordingly.

11. DIVIDENDS

	52 weeks ended 28 September 2024	52 weeks ended 30 September 2023
	£'000	£'000
Dividends paid during the year	**8,042**	8,204

Of the £8.0m, £6.8m relates to the previous financial year and £1.2m relates to the interim dividend of 2.5 pence per share that was paid in August 2024.

12. PROPERTY, PLANT AND EQUIPMENT

	Freehold and long leasehold properties	Short leasehold and leasehold improvements	Motor vehicles	Fixtures and fittings	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 October 2022	205	17,657	1,046	37,573	-	56,481
Additions	-	3,469	870	6,160	873	11,372
Disposals	(205)	(2,351)	(20)	(3,394)	-	(5,970)
At 30 September 2023	-	18,775	1,896	40,339	873	61,883
Additions	-	3,754	1,208	5,822	723	11,507
Transfer	-	60	-	813	(873)	-
Disposals	-	(2,367)	(219)	(3,274)	-	(5,860)
At 28 September 2024	**-**	**20,222**	**2,885**	**43,700**	**723**	**67,530**
Depreciation						
At 1 October 2022	8	14,398	246	29,247	-	43,899
Charge for the year	1	999	361	2,577	-	3,938
Disposals	(9)	(2,158)	(7)	(3,082)	-	(5,256)
Impairments	-	33	-	91	-	124
At 30 September 2023	-	13,272	600	28,833	-	42,705
Charge for the year	-	1,676	572	3,659	-	5,907
Disposals	-	(2,224)	(160)	(3,062)	-	(5,446)
Impairments	-	216	-	210	-	426
At 28 September 2024	**-**	**12,940**	**1,012**	**29,640**	**-**	**43,592**
Net book value						
At 28 September 2024	**-**	**7,282**	**1,873**	**14,060**	**723**	**23,938**
At 30 September 2023	-	5,503	1,296	11,506	873	19,178
At 1 October 2022	197	3,259	800	8,326	-	12,582

13. LEASES

The majority of the Group's trading stores are leased under operating leases. The Group also has a number of non-property operating leases relating to vehicles.

Information about leases for which the Group is a lessee is presented below:

	Property	**Motor vehicles and equipment**	Total
	£'000	**£'000**	£'000
Balance at 1 October 2022	**25,336**	**245**	**25,581**
Additions	7,165	0	7,165
Disposals	-	-	-
Depreciation	(12,429)	(184)	(12,613)
Effect of modification to lease terms	5,823	28	5,851
Impairment	(233)	0	(233)
Balance at 30 September 2023	**25,662**	**89**	**25,751**
Additions	4,752	0	4,752
Disposals	-	-	-
Depreciation	(12,587)	(91)	(12,678)
Effect of modification to lease terms	11,133	7	11,140
Impairment	(555)	-	(555)
Balance at 28 September 2024	**29,845**	**5**	**29,850**

The above note has been reformatted to better display the movements in lease net book values.

The table below sets out the maturity analysis of future lease payments:

Maturity analysis – contracted undiscounted cash flows	**52 weeks ended 28 September 2024**	52 weeks ended 30 September 2023
	£'000	£'000
Less than one year	**14,003**	13,646
Between one and five years	**25,854**	21,729
More than five years	**1,518**	1,742
Total undiscounted lease liabilities	**41,375**	37,118
Carrying value of lease liabilities included in balance sheet	**38,128**	35,290
Current	**12,862**	13,071
Non-current	**25,266**	22,219

13. LEASES CONTINUED

Movement of carrying value of lease liabilities	Property	Motor vehicles & equipment	Total
	£'000	£'000	£'000
Balance at 01 October 2022	35,603	242	35,845
Additions	14,891	32	14,923
Disposal	(1,800)	-	(1,800)
Interest	776	5	781
Repayment of lease liability	(14,272)	(187)	(14,459)
Balance at 30 September 2023	**35,198**	**92**	**35,290**
Additions	18,433	11	18,444
Disposal	(2,415)	-	(2,415)
Interest	1,284	1	1,285
Repayment of lease liability	(14,383)	(93)	(14,476)
Balance as at 28 September 2024	**38,117**	**11**	**38,128**

This note has been restated due to our software recognising a loss on disposal when a lease is modified, no loss on disposal has occurred.

The carrying value of leases reflect timing differences between actual payments and the IFRS expected payment dates.

Operating leases

The Group has a number of stores on short-term rental and a small number of outlets where a subsection are sublet to third parties at a contracted rate. The Group has classified these leases as operating leases because they do not transfer substantially all the risks and rewards of the right-of-use-asset.

In line with IAS36 the carrying value of the right-of-use-asset is assessed for impairment and booked where necessary.

14. INVENTORIES

There were no write downs of stock during the year or any reversal of any prior year write-downs.

	52 weeks ended 28 September 2024	52 weeks ended 30 September 2023
	£'000	£'000
Goods for resale	**37,233**	32,887
Shop fitting materials and other consumables	**718**	865
	37,951	33,752

15. TRADE AND OTHER RECEIVABLES

	52 weeks ended 28 September 2024	52 weeks ended 30 September 2023
	£'000	£'000
Trade receivables	**435**	411
Derivative financial instruments (see note 16)	**-**	309
Prepayments	**3,107**	2,142
Other receivables	**930**	357
	4,472	3,219

There are no impairment provisions or receivables past due in either year.

16. DERIVATIVE FINANCIAL INSTRUMENTS

At the statement of financial position date, details of the forward foreign exchange contracts that the Group has committed to are as follows:

	52 weeks ended 28 September 2024	52 weeks ended 30 September 2023
	£'000	£'000
Derivative financial asset/(liability)		
Derivatives not designated as hedging instruments	**(612)**	253
Derivatives designated as hedging instruments	**(375)**	56
	(987)	309

The maximum exposure to credit risk at the reporting date is the fair value of the derivative assets in the consolidated statement of financial position.

The notional principal amounts of outstanding forward foreign exchange contracts at 28 September 2024 were $30,000,000 (2023: $24,000,000). The fair value of the forward foreign exchange contracts are within the level 2 of the fair value hierarchy and have been valued on the basis of observable market data. The key input into the valuation is market rates of financial instruments at the reporting date.

17. TRADE AND OTHER PAYABLES

	52 weeks ended 28 September 2024	52 weeks ended 30 September 2023
	£'000	£'000
Current		
Trade payables	**15,886**	15,676
Derivative financial liability	**987**	-
Social security and other taxes	**1,673**	1,403
Other payables and finance lease liability	**806**	476
Accruals	**5,325**	6,798
	24,677	24,353

18. PROVISIONS

	Customer Returns	**Dilapidations**	**Total**
	£'000	**£'000**	**£'000**
As at 30 September 2023	243	3,549	3,792
Additions	241	536	777
Amounts utilised	(243)	(172)	(415)
Amounts released	-	(680)	(680)
As at 28 September 2024	**241**	**3,233**	**3,474**

The provisions are aged as follows:

	Customer Returns	**Dilapidations**	**Total**
	£'000	**£'000**	**£'000**
Current	241	2,466	2,707
Non-current	-	767	767
As at 28 September 2024	**241**	**3,233**	**3,474**

For all products, the Group has incurred an obligation to exchange the item if it is faulty due to a lack of quality or give the client a refund if they are not satisfied. Revenue from the sale of the products is recognised once the product is sold, however, a provision for customer returns based on previous experience is recognised at the same time. In the prior year a stock loss provision was included which is now included in inventories.

Leasehold dilapidations relate to the estimated cost of returning a leasehold property to its original state at the end of the lease in accordance with the lease terms. The main uncertainty relates to estimating the cost that will be incurred at the end of the lease.

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 28 SEPTEMBER 2024 CONTINUED

19. CONTINGENT LIABILITIES

Shoe Zone plc and its subsidiary undertakings have given a duty deferment guarantee in favour of HM Revenue and Customs amounting to £800,000 (2023: £800,000).

20. DEFERRED TAX

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 25% (30 September 2023: 25%).

The movement on the deferred tax account is as shown below:

	52 weeks ended 28 September 2024	52 weeks ended 30 September 2023
	£'000	£'000
At beginning of the year	**529**	720
Recognised in income statement:		
Tax expense (note 10)	**(487)**	(809)
Recognised in other comprehensive income:		
Actuarial gain / loss on defined benefit pension schemes	**(135)**	513
Cashflow hedge	**269**	105
At end of the period	**176**	529

The deferred tax has arisen due to the following:	**52 weeks ended 28 September 2024**	52 weeks ended 30 September 2023
	£'000	£'000
Accelerated capital allowances	**598**	(177)
Short term timing differences	**107**	54
Derivatives - cashflow hedge	**(110)**	(116)
IFRS 16 Leases	**(284)**	254
Defined benefit pension scheme	**(135)**	514
	176	529

The Group has a recognised deferred tax asset £176,000 as at 28 September 2024 (2023: £529,000).

There are estimated losses available to offset against future capital taxable profits amounting to approximately £nil (2023: £nil).

21. SHARE CAPITAL

	52 weeks ended 28 September 2024	52 weeks ended 30 September 2023
	£'000	£'000
Share capital issued and fully paid		
46,250,000 (2023:46,250,000) ordinary shares of 1p each	**463**	463

Ordinary shares carry the right to one vote per share at general meetings of the company and the rights to share in any distribution of profits or returns of capital and to share in any residual assets available for distribution in the event of a winding up.

During the 52 weeks ended 30 September 2023 the company bought back 3,250,000 ordinary 1p shares for a total consideration of £7,125,000. The shares were subsequently cancelled.

22. LEASES

Finance leases

Where substantially all of the risks and rewards incidental to ownership of a leased asset have been transferred to the Shoe Zone plc Group (a 'finance lease'), the asset is treated as if it had been purchased outright.

The amount initially recognised as an asset is the lower of the fair value of the leased property and the present value of the minimum lease payments payable over the term of the lease. The corresponding lease commitment is shown as a liability. Lease payments are analysed between interest and capital. The interest element is charged to the consolidated income statement over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

	Motor Vehicle	Motor Vehicle
	28 September 2024	30 September 2023
	£'000	£'000
Not later than one year	**20**	27
Later than one year and not later than five years	**1**	22
Later than five years	**-**	-
	21	49

Finance leases are secured on the assets to which they relate to. The net book value of assets held under finance lease is £70,000 (2023: £101,000).

23. PENSION COSTS

The Group operates two pension schemes in the UK: the Shoe Zone Pension Scheme and the Shoefayre Limited Pension and Life Assurance Scheme. The Shoe Zone Pension Scheme provided benefits on a defined benefit basis for service up to 30 September 2001. For service after that date, benefits are provided on a defined contribution basis. The Shoefayre Limited Pension and Life Assurance Scheme provided benefits on a defined benefit basis but was closed to future accrual on 30 June 2009. The scheme was acquired on the purchase of Shoefayre Limited on 19 September 2007. The assets of all schemes are held in separate trustee administered funds. There have been no contributions to the scheme this year.

The schemes are exposed to a number of risks, including:

- Investment risk: movement of discount rate used (high quality corporate bonds) against the return from plan assets,
- Interest rate risk: decreases/increases in the discount rate used (high quality corporate bonds) will increase/decrease the defined benefit obligation,
- Longevity risk: changes in the estimation of mortality rates of current and former employees.

The following figures are based on a full actuarial valuation performed in April 2022 and March 2022 for the Shoe Zone and Shoefayre schemes respectively which was carried out by a qualified independent actuary. This actuarial valuation has been updated to 28 September 2024 for the purpose of calculating the pension deficit and disclosures in the current year. The Trustees of the Shoe Zone scheme entered into a buy in contract with Rothesay in March 2023

Post retirement mortality

	28 September 2024	30 September 2023
Life expectancy	**Years**	Years
Male currently aged 45	**87.8**	87.7
Female currently aged 45	**89.8**	89.7
Male currently aged 65	**86.0**	86.0
Female currently aged 65	**88.3**	88.2

23. PENSIONS CONTINUED

Financial assumptions

	28 September 2024	30 September 2023
	%	%
Deferred pension revaluation - Shoe Zone Scheme	**2.80**	2.95
Deferred pension revaluation - Shoefayre Scheme	**2.80**	3.05
Pension increases	**3.25**	3.45
Discount rate	**5.00**	5.55
Consumer Price Index - Shoe Zone Scheme	**2.80**	2.95
Consumer Price Index - Shoefayre Scheme	**2.80**	3.05
Retail Price Index	**3.40**	3.60

The weighted average duration of the defined benefit obligation for the Shoe Zone scheme at 28 September 2024 is 10 years (30 September 2023: 10 years).

The weighted average duration of the defined benefit obligation for the Shoefayre scheme at 28 September 2024 is 12 years (30 September 2023: 12 years).

Defined benefit scheme - Shoe Zone Pension Scheme Assets

Assets

The Shoe Zone Pension Scheme provided benefits on a defined benefit basis for service up to 30 September 2001. For service after that date, benefits are provided on a defined contribution basis.

The major categories of assets as a percentage of total assets are as follows:

23. PENSIONS CONTINUED

Asset category	**52 weeks ended 28 September 2024**	52 weeks ended 30 September 2023
	£'000	£'000
Cash	**5%**	3%
Insured assets	**95%**	97%
	100%	100%

The actual return on the Scheme's assets net of expenses over the year to the review date was a loss of £3,296,000 (30 September 2023: loss of £5,289,000).

The assets do not include any investments in shares of the Group.

The expected return on assets is a weighted average of the assumed long-term returns available on high quality corporate bonds in line with the method used to value the liabilities. Equity and property returns are developed based on the selection of an appropriate risk premium above the risk free rate which is measured in accordance with the yield on the government bonds. Bond returns are selected by reference to the yields on the government and corporate debt, as appropriate to the scheme holdings of these instruments. The expected returns on the Target Return Funds are equal to the fund's targets.

The assets are insured with Rothesay Life which is not a related party of Shoe Zone, the proceeds of the buy-in policy are paid to the Scheme and are only used to meet benefits paid to members of the scheme, the proceeds of the policy would not be available to the creditors of the Company on insolvency as the buy-in is an asset of the Scheme which is a separate entity.

Amounts recognised in the income statement over the year

	52 weeks ended 28 September 2024	52 weeks ended 30 September 2023
	£'000	£'000
Interest cost	**(1,825)**	(1,562)
Return on assets	**1,856**	1,942
Administration costs	**-**	(561)
Interest on asset restriction	**(31)**	(380)
	-	(561)

23. PENSIONS CONTINUED

Amounts recognised in the statement of financial position

	52 weeks ended 28 September 2024	52 weeks ended 30 September 2023
	£'000	£'000
Fair value of assets	**35,375**	34,753
Present value of funded obligations	**(34,864)**	(34,206)
Surplus	**511**	547
Impact of asset ceiling	**(511)**	(547)
Net defined benefit liability	**-**	-

Amounts recognised in other comprehensive income

	52 weeks ended 28 September 2024	52 weeks ended 30 September 2023
	£'000	£'000
Return on plan assets	**1,440**	(7,231)
Actuarial (loss) / gains arising from changes in:		
Demographic assumptions	**58**	1,078
Financial assumptions	**(1,565)**	(238)
Total actuarial gain/(loss)	**(1507)**	840
Changes in effect of asset ceiling	**67**	6,952
Deferred tax on employee benefit scheme	**-**	-
Total amount recognised in other comprehensive expense	**-**	561

23. PENSIONS CONTINUED

Reconciliation of assets and defined benefit obligation

The change in assets over the year was:

	52 weeks ended 28 September 2024	52 weeks ended 30 September 2023
	£'000	£'000
Fair value of assets at the beginning of the year	**34,753**	36,159
Return on assets	**1,856**	1,942
Recognition of historic buy-in policies	**-**	6,264
Administration costs	**-**	(561)
Benefits paid	**(2,674)**	(1,820)
Actuarial gain/(loss)	**1,440**	(7,231)
Fair value of assets at the end of the year	**35,375**	34,753

The change in defined benefit obligation over the year was:

	52 weeks ended 28 September 2024	52 weeks ended 30 September 2023
	£'000	£'000
Defined benefit obligation at the beginning of the year	**34,206**	29,040
Recognition of historic buy-in policies	**-**	6,264
Interest cost	**1,825**	1,562
Benefits paid	**(2,674)**	(1,820)
Actuarial gain/ (loss)	**1,507**	(840)
Defined benefit obligation at the end of the period	**34,864**	34,206

23. PENSIONS CONTINUED

Sensitivity of the value placed on the liabilities:

Adjustments to assumptions	Approximate effect on liabilities
Discount rate	
Plus 0.50%	-4.0%
Minus 0.50%	5.0%
Inflation	
Plus 0.50%	1.0%
Minus 0.50%	-1.0%
Life expectancy	
Plus 1.0 years	6.0%
Minus 1.0 years	-6.0%

Note that the above sensitivities are approximate and only show the likely effect of an assumption being adjusted whilst all other assumptions remain the same.

Defined benefit scheme - Shoefayre Limited Pension and Life Assurance Scheme

The company operates the Shoefayre Limited Pension and Life Assurance Scheme. The scheme provided benefits on a defined benefit basis but was closed to future accrual on 30 June 2009.

The major categories of assets as a percentage of total assets are as follows:

Asset Category	52 weeks ended 28 September 2024	52 weeks ended 30 September 2023
	£'000	£'000
Equities	**20%**	34%
Fixed Income	**58%**	43%
Cash	**1%**	1%
Alternatives	**21%**	22%
	100%	100%

23. PENSIONS CONTINUED

The pension scheme has recently changed investment managers who provide a different classification for investments.

The actual return on the Scheme's assets net of expenses over the year to the review date was a loss of £2,934,000 (2023: loss of £2,791,000). The assets do not include any investments in shares of the company.

The expected return on assets is a weighted average of the assumed long-term returns available on high quality corporate bonds in line with the method used to value the liabilities. Equity and property returns are developed based on the selection of an appropriate risk premium above the risk free rate which is measured in accordance with the yield on the government bonds. Bond returns are selected by reference to the yields on the government and corporate debt, as appropriate to the scheme holdings of these instruments. The expected returns on the Target Return Funds are equal to the fund's targets.

Amounts recognised in the statement of financial position

	52 weeks ended 28 September 2024	52 weeks ended 30 September 2023
	£'000	£'000
Fair value of assets	**23,698**	22,107
Present value of funded obligations	**(25,327)**	(24,161)
Net liability	**(1,629)**	(2,054)

Defined benefit scheme - Shoefayre Limited Pension and Life Assurance Scheme (continued)

Amounts recognised in other comprehensive income

	52 weeks ended 28 September 2024	52 weeks ended 30 September 2023
	£'000	£'000
Gain on plan assets	**1,744**	(4,206)
Actuarial gains / (loss) / gains arising from changes in:		
Demographic assumptions	**36**	656
Financial assumptions	**(1,241)**	(375)
Total actuarial gain	**(1205)**	281
Changes in effect of ceiling	**-**	1,871
Deferred tax on employee benefit scheme	**(135)**	513
Total amount recognised in other comprehensive income	**404**	(1,541)

23. PENSIONS CONTINUED

Amounts recognised in the income statement over the year

	52 weeks ended 28 September 2024	52 weeks ended 30 September 2023
	£'000	£'000
Interest cost	**(1,304)**	(1,317)
Interest on effect of asset ceiling	**-**	(98)
Return on assets	**1,190**	1,415
	(114)	-

Defined benefit scheme - Shoefayre Limited Pension and Life Assurance Scheme (continued)

Reconciliation of assets and defined benefit obligation

The change in assets over the year was:

	52 weeks ended 28 September 2024	52 weeks ended 30 September 2023
	£'000	£'000
Fair value of assets at the beginning of the year	**22,107**	26,081
Expected return on assets	**1,190**	1,415
Employer contributions	**-**	-
Benefits paid	**(1,343)**	(1,183)
Actuarial (loss)/ gain on assets	**1,744**	(4,206)
Fair value of assets at the end of the period	**23,698**	22,107

23. PENSIONS CONTINUED

The change in defined benefit obligation over the year was:

	52 weeks ended 28 September 2024 £'000	52 weeks ended 30 September 2023 £'000
Defined benefit obligation at the beginning of the year	**24,161**	24,308
Interest cost	**1,304**	1,317
Benefits paid	**(1,343)**	(1,183)
Actuarial gain / (loss) on obligation	**1,205**	(281)
Defined benefit obligation at the end of the period	**25,327**	24,161

Defined benefit scheme - Shoefayre Limited Pension and Life Assurance Scheme (continued)

Sensitivity of the value placed on the liabilities:

Adjustments to assumptions	**Approximate effect on liabilities**
Discount rate	
Plus 0.50%	-6.0%
Minus 0.50%	6.0%
Inflation	
Plus 0.50%	2.0%
Minus 0.50%	-2.0%
Life Expectancy	
Plus 1.0 years	4.0%
Minus 1.0 years	-4.0%

Note that the above sensitivities are approximate and only show the likely effect of an assumption being adjusted whilst all other assumptions remain the same.

23. PENSIONS CONTINUED

Reconciliation to amounts shown in the Consolidated Income Statement

	Shoe Zone Pension Scheme	ShoeFayre Limited Pension and Life Assuurance Scheme	Total
Interest cost	**(1,825)**	(1,304)	(3,129)
Administration cost	**1,856**		1,856
Interest in asset restriction	**(31)**		(31)
Return on assets	**-**	1,190	1,190
Consolidated icome statement	**-**	(114)	(114)

Reconciliation to amounts shown in the Consolidated Statement of Financial Position

	Shoe Zone Pension Scheme	ShoeFayre Limited Pension and Life Assuurance Scheme	Total
Fair value of assets	**35,375**	23,698	59,073
Defined benefit Obligation	**(34,864)**	(25,327)	(60,191)
	511	(1,629)	(1,118)
Effect of asset ceiling	**(511)**	-	(511)
Consolidated statemnet of Financial Position	**-**	(1,629)	(1,629)

24. CASH AND CASH EQUIVALENTS

Cash and cash equivalents for the purpose of the statement of cash flow comprise:

	52 weeks ended 28 September 2024	52 weeks ended 30 September 2023
	£'000	£'000
Cash at banks and in hand	**3,640**	16,354

25. RELATED PARTY TRANSACTIONS

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

During the year the group donated £256,000 to the Shoe Zone Trust for distribution to a variety of charities, this derives from carrier bag sales and a donation equivalent to 2% of profits (2023: £820,000).

During the year, the Group entities entered into the following trading transactions with Group pension schemes:

	52 weeks ended 28 September 2024	52 weeks ended 30 September 2023
	£'000	£'000
Rent paid to Zone Executive Pension Scheme	**180**	138
Contributions to the:		
Shoe Zone Worksave Pension Plan	**1,056**	1,033
Shoefayre Limited Pension and Life Assurance Scheme	**-**	-
	1,236	1,171

During the year, the key management personnel remuneration included within staff costs are as follows:

	52 weeks ended 28 September 2024	52 weeks ended 30 September 2023
	£'000	£'000
Short term employee benefits	**980**	1,183
Post-employment benefit	**61**	17
Employers national insurance	**141**	165
	1,182	1,365

Key management personnel are considered to be the Directors of Shoe Zone plc

26. EARNINGS PER SHARE

Earnings per share is calculated by dividing profit for the year by the weighted average number of shares outstanding during the year.

	52 weeks ended 28 September 2024	52 weeks ended 30 September 2023
	£'000	£'000
Numerator		
Profit for the year and earnings used in basic and diluted EPS	**16.04p**	27.79p

	52 weeks ended 28 September 2024	52 weeks ended 30 September 2023
Denominator		
Weighted average number of shares used in basic and diluted EPS	**46,250,000**	46,250,000

27. ANALYSIS OF NET CASH

	30 September 2023	Cashflows	28 September 2024
Cash at bank and in hand	16,354	(12,714)	3,640
Bank loan	-	-	-
	16,354	**(12,714)**	**3,640**

28. ULTIMATE CONTROLLING PARTY

The company is controlled by the Smith family albeit there is not a single controlling party.

COMPANY STATEMENT OF FINANCIAL POSITION AS AT 28 SEPTEMBER 2024

Registered Number 08961190	Note	**52 weeks ended 28 September 2024**	52 weeks ended 30 September 2023
		£'000	£'000
Fixed assets			
Investments	2	**68,644**	68,644
		68,644	68,644
Current assets			
Debtors	3	**33**	8
		33	8
Creditors: amounts falling due within one year	4	**(10,344)**	(10,179)
Net current liabilities		**(10,311)**	(10,171)
Net assets		**58,333**	58,473
Capital and reserves			
Called up share capital	5	**463**	463
Merger reserve	6	**586**	586
Capital redemption reserve		**37**	37
Profit and loss account	6	**57,247**	57,387
Total shareholders' funds		**58,333**	58,473

The Company made a profit during the year of £7,902,000 (2023: profit of £8,058,000).

The financial statements were approved and authorised for issue by the Board of Directors and were signed on its behalf by:

J. C. P. Smith

Charles Smith
Chairman
Date: 20 January 2025

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE 52 WEEKS ENDED 28 SEPTEMBER 2024

	Share capital	Capital Redemption Reserve	Merger reserve	Retained earnings	Restated Total
	£'000	£'000	£'000	£'000	£'000
At 1 October 2022	495	5	586	64,620	65,706
Profit for the year	-	-	-	8,058	8,058
Capital Redemption Reserve	(32)	32	-	-	-
Total comprehensive income for the year	(32)	32	-	8,058	8,058
Dividends paid during the year	-	-	-	(8,204)	(8,204)
Share buy back	-	-	-	(7,087)	(7,087)
Total contributions by and distributions to owners	-	-	-	(15,291)	(15,291)
At 30 September 2023	463	37	586	57,387	58,473
Profit for the year	-	-	-	7,902	7,902
Total comprehensive income for the year	-	-	-	7,902	7,902
Dividends paid during the year	-	-	-	(8,042)	(8,042)
Total contributions by and distributions to owners	-	-	-	-	-
At 28 September 2024	**463**	**37**	**586**	**57,247**	**58,333**

Share capital comprises nominal value of shares subscribed for. The capital redemption reserve represents share purchased by the company back from shareholders.

The merger reserve has arisen as a result of the application of merger accounting to the group reorganisation of 26 March 2014.

Retained earnings are all other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

The above statement is restated to reflect the movement of the share buy back from other comprehensive income.

NOTES TO THE COMPANY FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 28 SEPTEMBER 2024

1. ACCOUNTING POLICIES

Basis of preparation

The Company's financial year is 52 weeks ended 28 September 2024. The financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The Company has taken advantage of the exemption contained in Section 408(4) of the Companies Act 2006 from presenting its own profit and loss accounts. The profit dealt with in the accounts of the Company was £7,902,000 (30 September 2023: profit of £8,058,000).

The financial statements have been prepared in accordance with Financial Reporting Standard 100 'Application of Financial Reporting Requirements' and Financial Reporting Standard 101 "Reduced Disclosure Framework". The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

The Company has taken advantage of all the disclosure exemptions available under FRS 101.

Accounting policies have been applied consistently throughout the year.

Investments

Investments held as fixed assets are stated at cost, less any provision for impairment.

The Directors review the forecast and budgets of the subsidiaries held and review any necessary impairments.

NOTES TO THE COMPANY FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 28 SEPTEMBER 2024 CONTINUED

2. FIXED ASSET INVESTMENTS

	52 weeks ended 28 September 2024	52 weeks ended 30 September 2023
	£'000	£'000
Cost	**70,586**	70,586
Impairment of investment in Castle Acres Development Limited	**(1,942)**	(1,942)
Total	**68,644**	68,644

The subsidiaries of the Company, all of which have been included in the consolidated financial statements, are as follows:

Name of investment	**Place of incorporation**	**Principal activity**	**Ownership**
Castle Acres Development Limited	England & Wales	Non-trading company	100% owned by company
Shoe Zone Retail Limited	England & Wales	Trading company	100% owned by company
Zone Property Limited*	England & Wales	Non-trading company	100% owned by company
Zone Group Limited*	England & Wales	Non-trading company	100% owned by company
Shoe Zone (Ireland) Limited*	England & Wales	Non-trading company	100% owned by Shoe Zone Retail Limited
Shoe Zone Pension Trustees Limited	England & Wales	Non-trading company	100% owned by Zone Group Limited
Shoe Fayre Pension Trustees Limited	England & Wales	Non-trading company	100% owned by Zone Group Limited
Stead & Simpson Limited*	England & Wales	Non-trading company	100% owned by Zone Group Limited
Zone Footwear Limited*	England & Wales	Non-trading company	100% owned by Zone Group Limited
Zone Retail*	England & Wales	Non-trading company	100% owned by Zone Group Limited
Walkright Limited*	England & Wales	Non-trading company	100% owned by Zone Group Limited

*Liquidated

The registered address of all of the above subsidiaries is Haramead Business Centre, Humberstone Road, Leicester, LE1 2LH.

3. DEBTORS

	52 weeks ended 28 September 2024 £'000	52 weeks ended 30 September 2023 £'000
Prepayments	**25**	-
Other debtors	**8**	8
	33	8

4. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	52 weeks ended 28 September 2024 £'000	52 weeks ended 30 September 2023 £'000
Amounts owing to group undertakings	**10,330**	10,175
Accruals	**14**	4
	10,344	10,179

5. SHARE CAPITAL

	52 weeks ended 28 September 2024 £'000	52 weeks ended 30 September 2023 £'000
Allotted, called up and fully paid:		
46,250,000 (2023:46,250,000) ordinary shares of 1p each	**463**	463
	463	463

Ordinary shares carry the right to one vote per share at general meetings of the company and the rights to share in any distribution of profits or returns of capital and to share in any residual assets available for distribution in the event of a winding up.

6. RELATED PARTY TRANSACTIONS

Transactions between the Company and its 100% owned subsidiaries, which are related parties of the Company, are not disclosed in this note due to the advantage being taken of the exemption provided by FRS 101 'Reduced Disclosure Framework'. There have been no other related party transactions during the year.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shoe Zone plc (the 'Company') will be held at its registered office at Haramead Business Centre, Humberstone Road, Leicester, Leicestershire LE1 2LH on Tuesday, 11 March 2025 at 10.00 a.m. to consider and, if thought fit, pass the resolutions set out below. Resolutions 1 to 9 will be proposed as ordinary resolutions and Resolutions 10 to 12 will be proposed as special resolutions.

1. To receive and adopt the Company's annual accounts for the financial year ended 28 September 2024 and the associated reports of the Directors of the Company and the auditors of the Company.

2. To re-elect Charles Smith as a Director.

3. To re-elect Terry Boot as a Director.

4. To re-elect Malcolm Collins as a Director.

5. To re-elect Victoria Norrish as a Director.

6. To re-appoint Cooper Parry Group Limited as auditors of the Company to hold office from the conclusion of the annual general meeting until the conclusion of the annual general meeting of the Company to be held in 2026.

7. To authorise the Directors of the Company to determine the remuneration of Cooper Parry Group Limited as auditors of the Company.

8. That, in accordance with section 366 of the Companies Act 2006 (the 'Act'), the Company and its subsidiaries be and are hereby authorised, in aggregate, to:

   (a) make political donations to political parties and/or independent election candidates, not exceeding £50,000 in total;

   (b) make political donations to political organisations other than political parties, not exceeding £50,000 in total; and

   (c) incur political expenditure, not exceeding £50,000 in total,

   such authority to expire on the earlier of 10 March 2026 and the conclusion of the annual general meeting of the Company to be held in 2026. For the purposes of this resolution the terms 'political donation', 'political parties', 'independent election candidates', 'political organisation' and 'political expenditure' have the meanings given by sections 363 to 365 of the Act.

9. That, in substitution for any existing authority but without prejudice to the exercise of any such authority prior to the date of the passing of this resolution, the Directors of the Company be and are hereby generally and unconditionally authorised pursuant to and in accordance with section 551 of the Companies Act 2006 (the 'Act') to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company:

   (a) up to an aggregate nominal amount of £154,089.43; and

   (b) up to an aggregate nominal amount of £308,178.86 (such amount to be reduced by any shares allotted, or rights to subscribe for or to convert any security into shares granted, under paragraph (a) of this resolution) in connection with an offer by way of a rights issue:

      (i) to holders of ordinary shares of £0.01 each in the capital of the Company in proportion (as nearly as may be practicable) to their existing holdings; and

      (ii) to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary or permitted by the rights of those securities,

   and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements or securities represented by depositary receipts, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or the requirements of any regulatory body or stock exchange or any other matter, provided that this authority shall expire on the earlier of 10 March 2026 and the conclusion of the annual general meeting of the Company to be held in 2026, save that the Company may before such expiry make an offer or enter into an agreement which would or might require shares to be allotted, or rights to subscribe for or to convert securities into shares to be granted, after such expiry and the Directors may allot shares or grant such rights in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

10. That, subject to the passing of resolution 9 proposed at the annual general meeting of the Company convened for 11 March 2025 ('Resolution 9') and in substitution for any existing authority but without prejudice to the exercise of any such authority prior to the date of the passing of this resolution, the Directors of the Company be and are hereby generally empowered pursuant to sections 570 and 573 of the Companies Act 2006 (the 'Act') to allot equity securities (within the meaning of section 560(1) of the Act) (including the grant of rights to subscribe for, or to convert any securities into, ordinary shares of £0.01 each in the capital of the Company ('Ordinary Shares')) for cash pursuant to the authorities conferred by Resolution 9 and/or by way of a sale of treasury shares (within the meaning of section 560(3) of the Act), as if section 561(1) of the Act did not apply to any such allotment or sale, provided that this power shall be limited to:

   (a) the allotment of equity securities and the sale of treasury shares for cash in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under paragraph (b) of Resolution 9, by way of a rights issue only):

(i) to holders of Ordinary Shares in proportion (as nearly as may be practicable) to their existing holdings; and

(ii) to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary or permitted by the rights of those securities,

and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with any treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or the requirements of any regulatory body or stock exchange or any other matters (including such problems arising by virtue of equity securities being represented by depositary receipts); and

(b) the allotment of equity securities and the sale of treasury shares (other than under paragraph (a) of this resolution) up to an aggregate nominal amount of £23,113.41,

and shall expire on the earlier of 10 March 2026 and the conclusion of the annual general meeting of the Company to be held in 2026, save that the Company may before such expiry make an offer or enter into an agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

11. That, subject to the passing of Resolution 9, proposed at the annual general meeting of the Company convened for 11 March 2025 ('Resolution 9') and in addition to any authority granted pursuant to Resolution 10 proposed at the annual general meeting of the Company convened for 11 March 2025, the Directors of the Company be and are hereby generally empowered pursuant to sections 570 and 573 of the Companies Act 2006 (the 'Act') to allot equity securities (within the meaning of section 560(1) of the Act) (including the grant of rights to subscribe for, or to convert any securities into, ordinary shares of £0.01 each in the capital of the Company ('Ordinary Shares')) for cash pursuant to the authorities conferred by Resolution 9 and/or by way of a sale of treasury shares (within the meaning of section 560(3) of the Act), as if section 561(1) of the Act did not apply to any such allotment or sale, provided that this power shall be:

(a) limited to the allotment of equity securities and the sale of treasury shares for cash up to an aggregate nominal amount of £23,113.41; and

(b) used only for the purposes of financing (or refinancing, if the authority is to be used within 12 months after the original transaction) a transaction which the Directors of the Company determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the passing of this resolution,

and shall expire on the earlier of 10 March 2026 and the conclusion of the annual general meeting of the Company to be held in 2026, save that the Company may before such expiry make an offer or enter into an agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

12. That, the Company be and is hereby generally authorised pursuant to section 701 of the Companies Act 2006 (the 'Act') to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of £0.01 each in the capital of the Company ('Ordinary Shares') on such terms and in such manner as the Directors of the Company may from time to time determine, provided that:

    (a) the aggregate number of such Ordinary Shares hereby authorised to be acquired by the Company shall not exceed 4,622,683;

    (b) the price that may be paid by the Company for any of its Ordinary Shares shall not be less than £0.01, being the nominal value of each Ordinary Share, and shall not be greater than the higher of, exclusive of expenses:

        (i) an amount equal to 105% of the average trading price of the Ordinary Shares as derived from the middle market quotations for an Ordinary Share on the London Stock Exchange Daily Official List for the five trading days immediately preceding the date on which a share is contracted to be purchased; and

        (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out, and

    unless previously revoked, renewed, extended or varied, the authority hereby conferred shall expire on the earlier of 10 March 2026 and the conclusion of the annual general meeting of the Company to be held in 2026, save that the Company may before such expiry make an offer or enter into an agreement which would or might require such purchases of Ordinary Shares to be carried out after such expiry and the Directors may carry out such purchases in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

By order of the Board

Catherine Bowen
Company Secretary
Date: 7 February 2025

Registered Office: Haramead Business Centre, Humberstone Road, Leicester, Leicestershire, LE1 2LH

NOTES

1. ATTENDANCE AT THE MEETING

If you wish to attend the Annual General Meeting in person, you should arrive at the venue for the Annual General Meeting in good time to allow your attendance to be registered. It is advisable to have some form of identification with you as you may be asked to provide evidence of your identity to the Company's registrar, MUFG Corporate Markets (the 'Registrar'), prior to being admitted to the Annual General Meeting.

2. ONLINE VOTING

Members may vote online at www.signalshares.com. To register for this service, members will need their Investor Code, which can be found on their share certificate. To be valid, an online vote must be submitted no later than 48 hours (excluding non-working days) before the time of the Annual General Meeting or any adjournment of that meeting.

The submission of an online vote will not prevent a member from attending the Annual General Meeting and voting in person.

3. APPOINTMENT OF PROXIES

Members are entitled to appoint one or more proxies to exercise all or any of their rights to attend, speak and vote at the Annual General Meeting. A proxy need not be a member of the Company but must attend the Annual General Meeting to represent a member. To be validly appointed, a proxy must be appointed using the procedures set out in these notes. If members wish their proxy to speak on their behalf at the meeting, members will need to appoint their own choice of proxy (not the Chairman of the Annual General Meeting) and give their instructions directly to them.

Members can only appoint more than one proxy where each proxy is appointed to exercise rights attached to different shares. Members cannot appoint more than one proxy to exercise the rights attached to the same share(s). If a member wishes to appoint more than one proxy, they should contact the Registrar at Group MUFG Corporate Markets, PXS 1, Central Square, 29 Wellington Street, Leeds LS1 4DL, via email at shareholderenquiries@cm.mpms.mufg.com or by telephone on 0371 664 0391 if calling from the United Kingdom, or +44(0)371 664 0391 if calling from outside the United Kingdom. Calls are charged at the standard geographical rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 a.m. – 5.30 p.m. (London time) Monday to Friday excluding public holidays in England and Wales.

A member may instruct their proxy to abstain from voting on any resolution to be considered at the Annual General Meeting by marking the 'Vote Withheld' option when appointing their proxy. It should be noted that a vote withheld is not a vote in law and will not be counted in the calculation of the proportion of votes 'For' or 'Against' the resolution. Unless otherwise indicated on the proxy form, CREST voting or any other electronic voting channel, the proxy will vote as they think fit, or at their discretion, or withhold from voting.

The appointment of a proxy will not prevent a member from attending the Annual General Meeting and voting in person if he or she wishes.

4. APPOINTMENT OF A PROXY USING A FORM OF PROXY

Members may request a hard copy proxy form directly from the Registrar via email at shareholderenquiries@cm.mpms.mufg.com or on 0371 664 0391. (Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines open between 9.00 a.m. – 5.30 p.m. (London Time), Monday to Friday excluding public holidays in England and Wales).

To be valid, a Form of Proxy or other instrument appointing a proxy, together with any power of attorney or other authority under which it is signed or a certified copy thereof, must be received by post or (during normal business hours only) by hand by the Registrar at MUFG Corporate Markets, PXS 1, Central Square, 29 Wellington Street, Leeds LS1 4DL no later than 48 hours (excluding non-working days) before the time of the Annual General Meeting or any adjournment of that meeting. If these arrangements change, members will be notified by the Company via Regulatory Information Service.

5. APPOINTMENT OF A PROXY THROUGH CREST

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual and by logging on to the following website: www.euroclear.com. CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & International Limited's specifications and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy, or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Registrar (ID RA10) no later than 48 hours before the time of the Annual General Meeting or any adjournment of that meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions.

It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed (a) voting service provider(s), to procure that their CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended).

6. APPOINTMENT OF A PROXY BY JOINT HOLDERS

In the case of joint holders, where more than one of the joint holders purports to appoint one or more proxies, only the purported appointment submitted by the most senior holder will be accepted. Seniority shall be determined by the order in which the names of the joint holders stand in the Company's register of members in respect of the joint holding.

7. CORPORATE REPRESENTATIVES

Any corporation which is a member can appoint one or more corporate representatives. Members can only appoint more than one corporate representative where each corporate representative is appointed to exercise rights attached to different shares. Members cannot appoint more than one corporate representative to exercise the rights attached to the same share(s).

8. ENTITLEMENT TO ATTEND AND VOTE

To be entitled to attend and vote at the Annual General Meeting (and for the purpose of determining the votes they may cast), members must be registered in the Company's register of members at 6.00 p.m. on 7 March 2025 (or, if the Annual General Meeting is adjourned, at 6.00 p.m. on the day two days (excluding non-working days) prior to the adjourned meeting). Changes to the register of members after the relevant deadline will be disregarded in determining the rights of any person to attend and vote at the Annual General Meeting.

9. VOTING RIGHTS

As at 27 January 2025 (being the latest practicable date prior to circulation of this Notice) the Company's issued share capital consisted of 46,250,000 ordinary shares of £0.01 each carrying one vote each and the Company held 23,170 ordinary shares of £0.01 each in treasury. Accordingly, the total voting rights were 46,226,830.

Shoe Zone plc
Annual Report & Accounts 2024

shoezone.com
email: investorrelations@shoezone.com