

COMPANY REGISTRATION NUMBER: 00553014

POUNDSTRETCHER LIMITED
FINANCIAL STATEMENTS
31 MARCH 2023

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POUNDSTRETCHER LIMITED

FINANCIAL STATEMENTS

Year ended 31 March 2023

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POUNDSTRETCHER LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Mr G M Loughran
Mr X Y Pan
Mr A A Tayub
Mr S A Tayub

Registered office

Desford Lane
Kirby Muxloe
Leicestershire
LE9 2BJ

Auditor

Kilsby & Williams LLP
Chartered Accountants & statutory auditor
Cedar House
Hazell Drive
Newport
NP10 8FY

POUNDSTRETCHER LIMITED

STRATEGIC REPORT

Year ended 31 March 2023

Review of the business

The principal activity of the Company is discount retailing of household products. The "Poundstretcher" brand is now a leading variety discount retailer in the UK for food, toiletries, garden essentials, homeware brands and pet care products under the Company's own brand "Pet Hut" Offering over 5,000 products at some of the lowest prices on the high street.

The company traded from 324 stores across the UK at the end of March 2023, and a 800,000 sqft distribution centre in Leicester. The company's stores operate under the registered trading name of "Poundstretcher" with 61 stores operating under the registered name "Bargain Buys".

The company imports approximately 50% of its products directly from suppliers in China. The remaining range is bought from suppliers based in the UK and in Europe. The company employs around 4,000 people nationwide across its store network, distribution centre and head office.

The turnover decreased by £27m during the year. This was as a result of further restructuring of the store portfolio post the CVA. The majority of the stores closed were stores that were loss making and as part of the CVA the company could exit these liabilities.

In the latter weeks of FY2022 and the first half of FY2023 the company embarked on some significant promotional activity across the estate following a successful trial in a number of stores. The activity had a significant impact on Sales with growth of over 60%. However the national challenges around lorry driver shortages and global challenges around container shortages impacted our ability to maintain stock levels which resulted in a number of stock shortages across the estate. These stock shortages led to some losses during the first half. As a result of this, during Q2 and Q3 the company reduced the level of promotional activity and returned to a more normalised margin position which resulted in a very strong performance in Sales and Profit during Q3 with Q4 in line with normalised seasonal performance. Overall, despite the impact of these external events in H1, the company remains profitable in FY2023 albeit at a lower level due to the impact of losses in H1.

As a result:

- Turnover for the company has decreased from £273.0 million in FY2022 to £245.5 million in FY2023 (a decrease of 10%);
- Gross Profit has decreased from £136.7 million in FY2022 to £132.6m in FY2023 (a decrease of 3%); and
- Profit before tax (excluding exceptionals) has decreased from a profit of £16.6 million in FY2022 to a profit of £13.5 million in FY2023.

During the year the company adhered to all of its obligations under the CVA and in October 2022 submitted to Companies House that we have successfully fulfilled all of our obligations under the CVA.

The company is debt free having no bank loans or overdrafts and actively pays suppliers ahead of terms to build goodwill within the supplier base.

POUNDSTRETCHER LIMITED

STRATEGIC REPORT *(continued)*

Year ended 31 March 2023

Post year end trading

The company has traded in line with plans for the first half of the year and are on track to deliver an improved EBITDA performance in FY24. The company continues to focus on costs and maintain the low cost base which has been a strong driver of the profitability of the business over the past few years. The company has also announced a further 10% uplift in pay to all eligible retail colleagues, on top of the 10% announced last year which ensures that we continue to pay our retail colleagues above the National Living wage. The company would like to thank all of our strategic partners who have supported the company.

We continue to have in place contracts for our foreign exchange commitments to ensure our margin is protected for any significant variation in the USD exchange rate.

We have continued to receive significant support from our suppliers and we continue to pay them promptly to ensure we have access to the best deals. We have already started to work with suppliers who we were unable to trade with whilst under the CVA which is helping drive improved range for our customers, but following the submission of the FY2023 accounts we will also be able to start working with a wider supply base which should give us access to a greater range of products which will have a further positive impact on Sales.

Future developments

The UK economy continues to be challenged with high inflation, higher interest rates, fuel costs and continued uncertainty in the financial markets. Given this backdrop and the squeeze on household incomes, Poundstretcher is well situated as a discount retailer who will deliver everyday value to customers who continue to migrate to the variety discount sector.

This report was approved by the board of directors on 12/12/23 and signed on behalf of the board by:



Mr A A Tayub
Director

POUNDSTRETCHER LIMITED

DIRECTORS' REPORT

Year ended 31 March 2023

The directors present their report and the financial statements of the company for the year ended 31 March 2023.

Directors

The directors who served the company during the year were as follows:

Mr G M Loughran
Mr X Y Pan
Mr A A Tayub
Mr S A Tayub

Dividends

The directors do not recommend the payment of a dividend.

Future developments

The trading environment in which the company operates is an increasingly competitive and challenging one. However, management remain fully confident that with the current corporate voluntary arrangement and the strategy in place that the company will deliver improvements in profitability.

Greenhouse gas emissions and energy consumption

Information not included

The company has taken exemption from disclosing its greenhouse gas emissions and energy consumption as its ultimate parent company has provided the relevant reporting as part of the group accounts.

Employment of disabled persons

Disabled persons continue to receive consideration for employment taking into account of their particular abilities and the job requirements. All possible efforts are made to maintain continuity of employment for existing employees who become disabled. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Employee involvement

In line with group policy to communicate, consult and involve staff, information is provided to employees through the regular dissemination of internal memos and by conducting meetings. A policy of equal opportunities enables all employees, irrespective of gender, race, religion or disability, to improve their skills through internal training and to develop their career through promotion.

POUNDSTRETCHER LIMITED

DIRECTORS' REPORT *(continued)*

Year ended 31 March 2023

Financial instruments

The company's principal instruments comprise bank balances, trade creditors, trade debtors, and other loans due from/ to the company. The main purpose of these instruments is to raise funds and to finance the company's operations.

Cashflow risk:

The company's activities expose it primarily to financial risk of changes in foreign currency exchange rates. The company uses foreign exchange forward contracts to hedge these exposures,

Credit risk:

The company's principal financial assets are trade and other receivables. Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Liquidity risk:

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Limitation of auditors' liability

The company has entered into a liability limitation agreement with its auditors limiting the auditors liability to a maximum of twenty times the fee payable to the auditor.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' 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 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 company and the profit or loss of the company for that period.

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

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

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

POUNDSTRETCHER LIMITED

DIRECTORS' REPORT *(continued)*

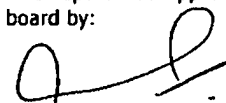
Year ended 31 March 2023

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 12/12/23 and signed on behalf of the board by:



Mr A A Tayub
Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POUNDSTRETCHER LIMITED

Year ended 31 March 2023

Opinion

We have audited the financial statements of Poundstretcher Limited (the 'company') for the year ended 31 March 2023 which comprise the profit and loss account, balance sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 as auditors inadvertently provided non-audit services to the group of which the company is part of. Appropriate safeguards were in place and we remain 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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



**KILSBY
WILLIAMS**
Chartered Accountants

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
POUNDSTRETCHER LIMITED (continued)**

Year ended 31 March 2023

Other information

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

In connection with our audit of the 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 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 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 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.

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial



**KILSBY
WILLIAMS**
Chartered Accountants

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
POUNDSTRETCHER LIMITED** *(continued)*

Year ended 31 March 2023

statements that are free from material misstatement, whether due to fraud or error.

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



**KILSBY
WILLIAMS**
Chartered Accountants

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
POUNDSTRETCHER LIMITED (continued)**

Year ended 31 March 2023

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:

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of legal counsel. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



**KILSBY
WILLIAMS**
Chartered Accountants

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
POUNDSTRETCHER LIMITED (continued)**

Year ended 31 March 2023

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Use of our report

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

Kilsby & Williams LLP

Mr Ataf Salim (Senior Statutory Auditor)

For and on behalf of
Kilsby & Williams LLP
Chartered Accountants & statutory auditor
Cedar House
Hazell Drive
Newport
NP10 8FY
18.12.2023

POUNDSTRETCHER LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 March 2023

		2023	2022 <i>(restated)</i>
	Note	£	£
TURNOVER	5	245,966,233	273,018,635
Cost of sales		(113,341,506)	(136,394,850)
GROSS PROFIT		132,624,727	136,623,785
Distribution costs		(46,068,881)	(42,270,297)
Administrative expenses		(73,166,526)	(77,698,572)
Other operating income	6	100,000	175,132
Exceptional provision against intergroup debts		(7,467,658)	(1,096,955)
Exceptional impact due to the company voluntary arrangement		925,406	3,392,204
Exceptional charitable donations		–	(10,000,000)
OPERATING PROFIT	7	6,947,068	9,125,297
Interest payable and similar expenses	12	–	(245,155)
PROFIT BEFORE TAXATION		6,947,068	8,880,142
Tax on profit	13	2,978,863	(9,064,978)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME		9,925,931	(184,836)
RETAINED EARNINGS AT THE START OF THE YEAR (AS PREVIOUSLY REPORTED)		45,370,090	42,779,852
Effects of changes in accounting policies		(7,000,574)	(4,225,499)
RETAINED EARNINGS AT THE START OF THE YEAR (RESTATED)		38,369,516	38,554,353
RETAINED EARNINGS AT THE END OF THE YEAR		48,295,447	38,369,517

All the activities of the company are from continuing operations.

The notes on pages 14 to 30 form part of these financial statements.

POUNDSTRETCHER LIMITED

BALANCE SHEET

31 March 2023

	Note	2023 £	2022 (restated) £
FIXED ASSETS			
Tangible assets	14	7,180,459	10,059,630
Investments	15	2	2
		<u>7,180,461</u>	<u>10,059,632</u>
CURRENT ASSETS			
Stocks	16	67,482,661	49,134,171
Debtors	17	19,892,788	13,745,573
Cash at bank and in hand		<u>9,006,788</u>	<u>30,605,651</u>
		96,382,237	93,485,395
CREDITORS: amounts falling due within one year	18	(27,425,528)	(34,785,992)
NET CURRENT ASSETS		<u>68,956,709</u>	<u>58,699,403</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		76,137,170	68,759,035
CREDITORS: amounts falling due after more than one year	19	(5,094,472)	(7,324,935)
PROVISIONS	20	(6,947,142)	(7,264,474)
NET ASSETS		<u>64,095,556</u>	<u>54,169,626</u>
CAPITAL AND RESERVES			
Called up share capital	24	15,800,109	15,800,109
Profit and loss account	25	<u>48,295,447</u>	<u>38,369,517</u>
SHAREHOLDERS FUNDS		<u>64,095,556</u>	<u>54,169,626</u>

These financial statements were approved by the board of directors and authorised for issue on 12/12/23, and are signed on behalf of the board by:


Mr A A Tayub
Director

Company registration number: 00553014

The notes on pages 14 to 30 form part of these financial statements.

POUNDSTRETCHER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

1. GENERAL INFORMATION

The company is a private company limited by shares, registered in England & Wales. The address of the registered office is Desford Lane, Kirby Muxloe, Leicestershire, LE9 2BJ.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The accounts have been prepared on a going concern basis which assumes that the company will continue to trade for the foreseeable future.

To enable the board to assess going concern and ongoing liquidity, profit and cash flow forecasts have been prepared by the company. The company is performing in line with these forecasts. The company continues to manage costs very tightly in order to manage profitability. The company has prepared more than one scenario of future performance to understand the impact on the business of a down turn in performance.

The impact of inflation and the general economic outlook will have a negative impact on household's disposable incomes and household's will therefore be seeking better value for money on their spend. As a discount retailer Poundstretcher, is situated perfectly in the market to serve the customers flight to value.

Given the current cash reserves in the group and trading vs budget the board believes the group is well placed to manage its risks successfully. The group has sufficient cash resources to continue trading for the foreseeable future. The directors are confident that the company will be able to meet its obligations for at least the next twelve months with the continuing support of the group companies. They therefore consider it appropriate to prepare the accounts on the going concern basis. The financial statements have therefore been prepared on a going concern basis. The financial statements do not include any adjustments should the going concern basis of preparation be inappropriate.

POUNDSTRETCHER LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 March 2023

3. ACCOUNTING POLICIES *(continued)*

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Crown Crest Group Limited, which can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

Consolidation

The entity has taken advantage of the exemption from preparing consolidated financial statements contained in Section 400 of the Companies Act 2006 on the basis that it is a subsidiary undertaking and its immediate and ultimate parent undertaking is established under the law of an EEA State.

Turnover

Turnover represents the value of goods sold excluding value added tax, and is recognised in the financial statements when cash has been received or is receivable.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised.

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Exceptional items

Exceptional items are disclosed separately in the financial statements in order to provide further understanding of the financial performance of the entity. They are material items of income or expense that have been shown separately because of their nature or amount.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

POUNDSTRETCHER LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 March 2023

3. ACCOUNTING POLICIES *(continued)*

Taxation *(continued)*

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Short leasehold property	-	20% straight line
Fixtures and fittings	-	25% straight line
Motor vehicles	-	25% straight line
Improvements to leasehold properties	-	Shorter of remaining lease period or 7 years

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed Investments are measured at fair value with changes in fair value being recognised in profit or loss.

POUNDSTRETCHER LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 March 2023

3. ACCOUNTING POLICIES *(continued)*

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the balance sheet and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Dilapidation and onerous lease provision

Provision is made for the company's obligations to maintain properties to a standard as required by the various leases. In accordance with Financial Reporting Standard 102 Section 21 "Provisions and Contingencies" the provision is discounted to arrive at the present value of the expected future cashflows required to settle the obligation by using a real risk free discount rate derived from UK quoted gilts adjusted for risk specific to the liability. Such risks relate to the uncertainty over the timing of the cash flows for leases that are not at or near their termination date. In such cases the directors consider that this risk premium reduces the effect of discounting these obligations to nil%.

Provision is made for onerous lease contracts where, after detailed review of the leases by the directors, the expected future cash flows are not expected to cover the contractual lease payments. The expected future cash flows are based on the same financial projections as used in the impairment of the Cash Generating Unit. The cash flows have been discounted to give the present value. In line with Financial Reporting Standard 102 Section 21 "Provisions and Contingencies" the estimated discount rate is calculated using a nominal risk free rate of 4% (2022 - 4%) based on UK government bonds.

POUNDSTRETCHER LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 March 2023

3. ACCOUNTING POLICIES *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

POUNDSTRETCHER LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 March 2023

4. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Impairment of fixed assets

For the purpose of the impairment review the recoverable amount of the tangible fixed assets are determined based on value-in-use calculations using estimated discounted future cash flow projections reflecting the time value of money and risks relating to the cash generating unit ("CGU"). These cash flow projections are based on financial budgets approved by management with the key assumptions being sales and margin growth and cost efficiencies. Cash flows are extrapolated based on the assumption of a % growth rate (2022 - 0%) which does not exceed the long term average growth rate for the sector in which the CGU operates.

The estimated future cash flows are discounted to their present value using a pre-tax discount rate that is based on the company's weighted average cost of capital adjusted to reflect the risk specific to the business model and the cash generating unit or asset being tested. The directors consider an appropriate estimated pre-tax discount rate to be used in the value-in-use calculations to be 13% (2022 - 13%).

Useful lives of property, plant and equipment

Depreciation is provided so as to write down assets to their residual values over their estimated useful economic lives as set out in the company's accounting policy. The selection of these estimated useful economic lives requires the exercise of management judgement. Useful economic lives are regularly reviewed and should management's assessment of useful lives shorten then depreciation charges in the financial statements would increase and the carrying amounts of property, plant and equipment would reduce accordingly.

Stock provision

A provision has been included for any stock lines which are expected to be sold for less than the cost they are held at in the accounts. The difference between the amount the stock is expected to be sold for and the amount it is held at in the accounts has been calculated and provided for.

A shrinkage provision has been included. This is calculated using the average percentage stock losses or gains from stores stock takes. The sales since the last stock take attended up until the year end are multiplied by the average percentage to give the shrinkage provision for each store.

A third stock provision is included in the accounts. This provision is based on the age of the stock lines. A percentage of each stock line is provided for based on when it was last purchased and an estimate of its expected sell through rate.

Dilapidations provision

Leasehold dilapidation 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 assumption is in relation to the expected costs of the rectification of the wear and tear incurred. The company has a team managing the property portfolio and uses the historical experience when making a provision.

POUNDSTRETCHER LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 March 2023

5. TURNOVER

Turnover arises from:

	2023	2022 <i>(restated)</i>
	£	£
Sale of discounted household goods	245,555,502	273,018,635
Wholesale	410,731	–
	<u>245,966,233</u>	<u>273,018,635</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

6. OTHER OPERATING INCOME

	2023	2022 <i>(restated)</i>
	£	£
Other operating income	<u>100,000</u>	<u>175,132</u>

7. OPERATING PROFIT

Operating profit or loss is stated after charging/crediting:

	2023	2022 <i>(restated)</i>
	£	£
Depreciation of tangible assets	4,275,232	7,969,786
Impairment of tangible assets recognised in:		
Administrative expenses	1,263,468	147,335
Reversal of impairment of tangible assets recognised in:		
Administrative expenses	–	(672,852)
Loss on disposal of tangible assets	1,085,573	3,192,725
Foreign exchange differences	(1,309,306)	(1,459,151)
Land and building operating lease rentals	20,228,924	17,042,207
Other operating lease rentals	<u>1,051,625</u>	<u>1,389,380</u>

8. AUDITOR'S REMUNERATION

	2023	2022 <i>(restated)</i>
	£	£
Fees payable for the audit of the financial statements	<u>65,000</u>	<u>55,000</u>

Statutory information on remuneration for other services provided by the company's auditors and its subsidiaries/ associates is given on a consolidated basis in the group accounts of the parent company, Crown Crest Group Limited.

POUNDSTRETCHER LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 March 2023

9. STAFF COSTS

The average number of persons employed by the company during the year, including the directors, amounted to:

	2023 No.	2022 No.
Administrative staff	367	291
Number of retail staff	3,742	3,643
	<u>4,109</u>	<u>3,934</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2023 £	2022 (restated) £
Wages and salaries	47,131,970	42,058,668
Social security costs	2,692,004	2,325,852
Other pension costs	605,236	659,992
	<u>50,429,210</u>	<u>45,044,512</u>

10. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services was:

	2023 £	2022 (restated) £
Remuneration	421,710	573,443
Company contributions to defined contribution pension plans	9,688	—
	<u>431,398</u>	<u>573,443</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2023 No.	2022 (restated) No.
Defined contribution plans	<u>3</u>	<u>—</u>

Remuneration of the highest paid director in respect of qualifying services:

	2023 £	2022 (restated) £
Aggregate remuneration	142,199	144,904
Company contributions to defined contribution pension plans	7,046	—
	<u>149,245</u>	<u>144,904</u>

POUNDSTRETCHER LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 March 2023

11. EXCEPTIONAL ITEMS

	2023	2022
	£	£
Exceptional provision against intergroup debts	7,467,658	1,096,956
Exceptional impact due to the company voluntary arrangement	(925,406)	(3,392,204)
Exceptional charitable donations	–	10,000,000
	<u>6,542,252</u>	<u>7,704,752</u>

Exceptional Items relate to the write down of debts from group companies to their recoverable amounts, donations to charity and the impact of the commencement of a Company Voluntary Arrangement.

12. INTEREST PAYABLE AND SIMILAR EXPENSES

	2023	2022
	£	(restated) £
Interest due to group undertakings	–	<u>245,155</u>

13. TAX ON PROFIT

Major components of tax (income)/expense

	2023	2022
	£	(restated) £
Current tax:		
UK current tax expense	931,268	961,209
Adjustments in respect of prior periods	<u>79,894</u>	<u>103,769</u>
Total current tax	<u>1,011,162</u>	<u>1,064,978</u>
Deferred tax:		
Origination and reversal of timing differences	(3,990,025)	8,000,000
Tax on profit	<u>(2,978,863)</u>	<u>9,064,978</u>

POUNDSTRETCHER LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 March 2023

13. TAX ON PROFIT *(continued)*

Reconciliation of tax (income)/expense

The tax assessed on the profit on ordinary activities for the year is lower than (2022: higher than) the standard rate of corporation tax in the UK of 19% (2022: 19%).

	2023	2022 <i>(restated)</i>
	£	£
Profit on ordinary activities before taxation	6,947,068	8,880,142
Profit on ordinary activities by rate of tax	1,319,943	2,214,491
Adjustment to tax charge in respect of prior periods	79,894	6,019,762
Effect of expenses not deductible for tax purposes	1,515,062	358,210
Effect of capital allowances and depreciation	(203)	284,417
Utilisation of tax losses	(1,886,909)	–
Deferred tax movement	(3,990,025)	–
Group relief surrendered	(27,559)	–
Other tax adjustment	10,934	(20,323)
Provision against connected company debt	–	208,421
Tax on profit	(2,978,863)	9,064,978

The deferred tax asset is expected to reverse next year by £3,161,604.

14. TANGIBLE ASSETS

	Short leasehold property £	Fixtures and fittings £	Motor vehicles £	Improvements to leasehold property £	Total £
Cost					
At 1 April 2022 (as restated)	1,998,732	19,132,574	1,231,109	15,582,470	37,944,885
Additions	235,331	615,597	287,579	2,605,086	3,743,593
Disposals	(83,939)	(2,121,737)	(381,287)	(1,074,953)	(3,661,916)
At 31 March 2023	2,150,124	17,626,434	1,137,401	17,112,603	38,026,562
Depreciation					
At 1 April 2022	1,341,173	15,297,939	448,150	10,797,993	27,885,255
Charge for the year	231,862	1,433,857	227,926	2,381,586	4,275,231
Disposals	(2,924)	(1,656,196)	(361,165)	(557,565)	(2,577,850)
Impairment losses	120,256	211,344	–	931,867	1,263,467
At 31 March 2023	1,690,367	15,286,944	314,911	13,553,881	30,846,103
Carrying amount					
At 31 March 2023	459,757	2,339,490	822,490	3,558,722	7,180,459
At 31 March 2022	657,559	3,834,635	782,959	4,784,477	10,059,630

POUNDSTRETCHER LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 March 2023

15. INVESTMENTS

	Shares in group undertakings
	£
Cost	
At 1 April 2022 as restated and 31 March 2023	<u>2</u>
Impairment	
At 1 April 2022 as restated and 31 March 2023	<u>-</u>
Carrying amount	
At 31 March 2023	<u>2</u>
At 31 March 2022	<u>2</u>

Subsidiaries, associates and other investments

	Class of share	Percentage of shares held
Subsidiary undertakings		
Trison Estates Limited	Ordinary	100
PS Imports Limited	Ordinary	100

16. STOCKS

	2023	2022 <i>(restated)</i>
	£	£
Goods for resale	<u>67,482,661</u>	<u>49,134,171</u>

17. DEBTORS

	2023	2022 <i>(restated)</i>
	£	£
Amounts owed by group undertakings	-	7,173,978
Deferred tax asset	6,000,000	2,009,975
Prepayments and accrued income	2,439,135	3,884,112
Corporation tax repayable	424,170	673,908
Directors loan account	2,448,260	-
Other debtors	8,581,223	3,600
	<u>19,892,788</u>	<u>13,745,573</u>

POUNDSTRETCHER LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 March 2023

18. CREDITORS: amounts falling due within one year

	2023	2022 <i>(restated)</i>
	£	£
Trade creditors	9,371,450	18,839,314
Amounts owed to group undertakings	8,887,073	7,249,646
Accruals and deferred income	5,661,734	5,636,044
Social security and other taxes	2,158,959	1,554,001
Other creditors	1,346,312	1,506,987
	<u>27,425,528</u>	<u>34,785,992</u>

Included within other creditors are deferred operating lease incentives amounting to £1,118,967 (2022 - £1,421,248).

19. CREDITORS: amounts falling due after more than one year

	2023	2022 <i>(restated)</i>
	£	£
Other creditors	<u>5,094,472</u>	<u>7,324,935</u>

Included within other creditors are deferred operating lease incentives as follows:

To be released:

	2023	2022 <i>(restated)</i>
	£	£
To be released later than 1 year and not later than 5 years	3,070,184	4,992,584
To be released after 5 years	<u>2,024,288</u>	<u>2,332,351</u>
	<u>5,094,472</u>	<u>7,324,935</u>

POUNDSTRETCHER LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 March 2023

20. PROVISIONS

	Onerous contracts £	Dilapidations provision £	Total £
At 1 April 2022 (as restated)	1,553,630	5,710,844	7,264,474
Additions	–	803,817	803,817
Movement in the year	(1,121,149)	–	(1,121,149)
At 31 March 2023	432,481	6,514,661	6,947,142

The dilapidations provision is expected to be utilised at the end of the lease term for the individual property concerned. The timing of the cash flows may be uncertain for leases that are not at or near their termination dates and overall the directors consider the effect of discounting the dilapidation to be negligible. The obligation for the dilapidations provision is recognised over the period to which it relates and is specifically calculated for each individual property within the portfolio and reviewed on an annual basis.

The onerous lease provision represents the commitment to pay rents over the remaining period of the relevant lease which is between one and ten years and where, after detailed review of the leases by the directors, the expected future cash flows are not expected to cover the contractual lease payments. The expected future cash flows are based on the same financial projections as used in the impairment of the Cash Generating Unit. The cash flows have been discounted to give the present value. In line with Financial Reporting Standard 102 Section 21 "Provisions and Contingencies" the estimated discount rate is calculated using a nominal risk free rate of 4%.

21. DEFERRED TAX

The deferred tax included in the balance sheet is as follows:

	2023 £	2022 (restated) £
Included in debtors (note 17)	6,000,000	2,009,975

The deferred tax account consists of the tax effect of timing differences in respect of:

	2023 £	2022 (restated) £
Accelerated capital allowances	1,623,639	1,214,938
Unused tax losses	4,376,361	795,037
	6,000,000	2,009,975

22. EMPLOYEE BENEFITS

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £605,236 (2022: £659,992).

POUNDSTRETCHER LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 March 2023

23. PRIOR PERIOD RESTATEMENT

The company has reviewed its accounting policy in relation to the capitalisation of fixed assets and the presentation of items within the profit and loss account, and amended its policy. The new policy will provide more reliable information on the company's performance in the financial statements.

The effect of the accounting policy change on the prior period is as follows:

	Previously reported 2022 £000	Fixed Assets £000	Reclass P&L £000	Restated 2022 £000
Turnover	273,019	-	-	273,019
Cost of Sales	(214,813)	-	78,419	(136,395)
Gross Profit	58,205	-	78,415	136,624
Distribution Costs	(17,603)	-	(24,667)	(42,270)
Administrative expenses	(27,607)	(2,775)	(47,317)	(77,699)
Other income	2	-	173	175
Exceptional costs	(1,097)	-	(6,608)	(7,705)
Operating profit	11,900	(2,775)	-	9,125
Interest payable	(245)	-	-	(245)
Profit before taxation	11,655	(2,775)	-	8,880
Tax on profit	(9,065)	-	-	9,065
Profit/ (loss) after taxation	2,590	(2,775)	-	(185)
Tangible assets	17,060	(7,001)	-	10,060
Investments	2	-	-	2
Stocks	49,134	-	-	49,134
Debtors	13,746	-	-	13,746
Cash at bank and in hand	30,606	-	-	30,606
Creditors: amounts falling due within one year	(34,786)	-	-	(34,786)
Net current assets	58,699	-	-	58,699
Total assets less current liabilities	75,760	(7,001)	-	68,759
Creditors: amounts falling due after one year	(7,325)	-	-	(7,325)
Provisions	(7,264)	-	-	(7,264)
Net Assets	61,170	(7,001)	-	54,170
Called up share capital	15,800	-	-	15,800
Profit and loss account b/fwd	42,780	(4,225)	-	38,554
Profit /(loss) for the year	2,590	(2,775)	-	(185)
Shareholders funds	61,170	(7,001)	-	54,170

POUNDSTRETCHER LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 March 2023

24. CALLED UP SHARE CAPITAL

Issued, called up and fully paid

	2023		2022 <i>(restated)</i>	
	No.	£	No.	£
Ordinary shares of £0.01 each	30,000,000	300,000	30,000,000	300,000
Ordinary shares of £1 each	15,500,109	15,500,109	15,500,109	15,500,109
	<u>45,500,109</u>	<u>15,800,109</u>	<u>45,500,109</u>	<u>15,800,109</u>

Both classes of shares rank pari-passu on a winding up and carry equal rights on voting and dividends.

25. RESERVES

Called up share capital - Represents the nominal value of shares that have been issued.

Profit and loss account - represents cumulative profits and losses, net of dividends and other adjustments.

26. OPERATING LEASES

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2023	2022 <i>(restated)</i>
	£	£
Not later than 1 year	14,832,886	16,939,232
Later than 1 year and not later than 5 years	26,612,655	38,476,041
Later than 5 years	<u>2,341,383</u>	<u>5,717,818</u>
	<u>43,786,924</u>	<u>61,133,091</u>

POUNDSTRETCHER LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 March 2023

27. CONTINGENCIES

The company's assets are subject to a debenture providing security over the banking facilities of Crown Crest (Leicester) Limited, Modern Market Retailing limited, Poundstretcher Properties Limited and Instore Limited.

The company is party to a cross guarantee arrangement in relation to the banking facilities of Crown Crest (Leicester) Limited, Modern Market Retailing limited, Poundstretcher Properties Limited and Instore Limited. At the year end the company had a contingent liability of £Nil (2022 - £Nil) under this guarantee.

28. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

During the year the directors entered into the following advances and credits with the company:

	2023		
	Balance brought forward £	Advances/ (credits) to the directors £	Balance outstanding £
Mr A A Tayub	-	2,448,260	2,448,260
	2022		
	Balance brought forward £	Advances/ (credits) to the directors £	Balance outstanding £
Mr A A Tayub	-	-	-

POUNDSTRETCHER LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 March 2023

29. RELATED PARTY TRANSACTIONS

Included within creditors is the following amounts due to the following group company:

	2023	2022 <i>(restated)</i>
	£	£
Crown Crest (Leicester) Limited	8,887,073	7,249,646

Interest of £- (2022 - £245,155) was charged in the year on the loan balance.

During the prior year a provision of £1,096,956 was made against the Bargain Buy Properties Limited intercompany debt.

During the year the company made sales and purchases from related companies as follows:

	2023		2022	
	Sales/other income	Purchases/ other costs	Sales/other income	Purchases/ other costs
	£	£	£	£
Crown Crest (Leicester) Limited (Group Company)	103,047	6,154,983	216,720	5,948,894
Crown Crest Charitable Incorporated Organisation (Director Mr S A Tayub is a Trustee)	-	-	-	10,000,000

In accordance with FRS102, transactions with wholly owned entities within the group are not disclosed.

30. CONTROLLING PARTY

The company is controlled by its ultimate controlling party, Mr A A Tayub.

The company is a wholly owned subsidiary of Modern Market Retailing Limited, a company registered in England and Wales.

The ultimate parent company is CCG Topco Ltd, a company registered in England and Wales.

The registered office address of all these companies is Desford Lane, Kirby Muxloe, Leicestershire, LE9 2BJ.

The parent undertaking of the smallest and largest group, which includes the company and for which group accounts are prepared, is Crown Crest Group Limited. Copies of group accounts can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.