CARLISLE PLACE VENTURES LIMITED

Company number: 02829583

Financial Statements for the period ended 29 January 2022

Contents

Company information

Company number:	02829583
Directors:	Richard Ambler Andrew Mounsey
Company Secretary:	Simon Blackburn
Registered office:	171 Victoria Street, London, SW1E 5NN
Independent auditor:	KPMG LLP

Strategic report for the period ended 29 January 2022

Review of the business and future developments
Carlisle Place Ventures Limited ("the Company"), trading as John Lewis Home Solutions, provides home improvement services to consumers. The Company is a subsidiary of John Lewis plc, within the John Lewis Partnership plc group ("the Partnership").

Key performance indicators

	2022	2021
Gross Margin	**14.6%**	3.0%
Revenue Growth	**27.0%**	-23.0%
Revenue	**£1,807.8m**	£1,419.6m

Revenue has grown by 27% compared to the 53 weeks to 30 January 2021. Revenue has grown principally due to the direct kitchen and bathroom offering under the Opun brand being paused to allow the Company to focus on the core home and bathroom proposition marketed under the John Lewis (JL) brand. A trial started in the JL Bluewater store in October 2020 with JL Kingston added to the trial in June 2021. Gross margin has also recovered in 2022 from not repeating the costs relating to initial Covid-19 safety measures in 2021, and also realising the benefits of the improvements to project process and execution seen in the trial. Operating expenses have reduced by 20% to £3.4m, due to a combination of cost control through running a leaner Partner model and also as a result of the closure in 2020/21 of the Home Solutions proposition. Operating losses before Partnership Bonus and tax have decreased to £3.1m from £4.2m for the prior year.

Financial risk management
The Company's financial risks are managed within the framework of the John Lewis Partnership plc's arrangements. The principal financial risks the Partnership is exposed to relate to the capital structure and long-term funding of the Partnership and also to the markets and counterparties the Partnership is exposed to in its operations. These risks can be summarised as: capital and long-term funding risk, liquidity risk, interest rate risk, foreign currency risk, credit risk and energy risk. Details of the Partnership's financial risk management policies are included in note 7 of the Partnership's Annual Report and Accounts.

Principal risks and uncertainties
The principal risks and uncertainties facing the Company are in line with John Lewis Partnership plc. The risks that are most relevant to the Company are 'competitive customer proposition' and 'the external environment'.

Details of key mitigations to these principal risks and uncertainties are presented in the Strategic Report in the Partnership's Annual Report and Accounts.

Approved by the Directors and signed on behalf of the Board

Andrew Mounsey
Director
17 October 2022

Directors' report for the period ended 29 January 2022

The Directors present their report and the audited financial statements for the period 31 January 2021 to 29 January 2022.

Principal activity
The Company's principal activity is the provision of home improvement services to consumers. Carlisle Place Ventures Limited is incorporated and registered in England and Wales and is a wholly owned subsidiary of John Lewis plc, within the John Lewis Partnership plc group.

Directors and Company Secretary
The Directors of the Company and the Company Secretary who served during the period and at the date of the signing of this report include:

Richard Ambler (appointed 3 August 2021)
Andrew Mounsey (appointed 14 April 2022)
Sean Allam (resigned 31 July 2021)
Bérangère Michel (resigned 13 April 2022)
Simon Blackburn (Company Secretary, appointed 3 August 2021)
Peter Simpson (Company Secretary, resigned 7 June 2021)

Results and dividends
The Company's loss before taxation for the period ended 29 January 2022 is £3.1m (2021: £4.2m). The share capital of the Company is wholly owned by John Lewis plc. The Directors do not recommend the payment of a dividend (2021: £nil).

Health and safety
The Company adopts the Partnership's arrangements in respect of health and safety. The Partnership is committed to going about its business in a way that avoids, so far as is reasonably practicable, causing harm to people or property, and to promoting, through its extensive occupational health service, the wellbeing of its workforce. The Partnership cannot expect to eliminate health and safety risk totally from the workplace but its current priority is to ensure that management at all levels know and understand the risks within their areas of responsibility.

Directors' responsibilities
The Statement of Directors' responsibilities in relation to the financial statements is set out on page 19.

Directors' report for the period ended 29 January 2022 (continued)

Directors' interests
Under the constitution of the Partnership all the Directors, as employees of John Lewis plc, are necessarily interested in the 612,000 deferred ordinary shares in John Lewis Partnership plc which are held in Trust for the benefit of employees of John Lewis plc and of certain other Group companies. No Director has or had a material interest in any contract or arrangement to which the Company is or was a party.

Going concern
The Directors, after reviewing the Company's operating budgets, investment plans and financing arrangements including obtaining a letter of support from the Parent company John Lewis plc, consider that the Company has sufficient financing to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements. Accordingly, the Directors are satisfied that it is appropriate to adopt the going concern basis in preparing the financial statements.

Independent auditor
KPMG LLP have indicated their willingness to continue in office, and a resolution that they will be reappointed will be proposed to the Annual General Meeting, together with a resolution to authorise the Directors to determine the auditor's remuneration.

Disclosure of information to the auditor
Each of the persons who are Directors at the date of approval of this report confirms that:

1. The Director has taken all the 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 is aware of that information.
2. So far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware.

Approved by the Directors and signed on behalf of the Board

Andrew Mounsey
Director
17 October 2022

Statement of comprehensive income
for the period ended 29 January 2022

Notes		2022 £'000	2021[1] £'000
	Revenue	**1,807.8**	1,419.6
	Cost of sales	**(1,543.6)**	(1,376.6)
	Gross profit	**264.2**	43.0
	Operating and administrative expenses	**(3,370.5)**	(4,235.4)
	of which:		
	Partnership Bonus	**(55.0)**	-
	Operating loss	**(3,106.3)**	(4,192.4)
	Net finance expense	**(0.3)**	(1.2)
2	**Loss before tax**	**(3,106.6)**	(4,193.6)
4	Taxation	**581.6**	789.5
	Loss and total comprehensive expense for the period	**(2,525.0)**	(3,404.1)

[1] 53 week period

The accompanying notes form part of these financial statements.

Balance sheet
as at 29 January 2022

Notes		2022 £'000	2021 £'000
	Non-current assets		
5	Property, plant and equipment	**14.0**	10.0
6	Right-of-use assets	**-**	36.8
4	Deferred tax assets	**-**	6.5
		14.0	53.3
	Current assets		
7	Trade and other receivables	**1,521.2**	259.0
	Cash and cash equivalents	**701.2**	129.3
		2,222.4	388.3
	Total assets	**2,236.4**	441.6
	Current liabilities		
8	Trade and other payables	**(355.1)**	(297.9)
9	Lease liabilities	**-**	(37.4)
		(355.1)	(335.3)
	Total liabilities	**(355.1)**	(335.3)
	Net assets	**1,881.3**	106.3
	Equity		
10	Share capital	**14,300.0**	10,000.0
	Retained earnings	**(12,418.7)**	(9,893.7)
	Total equity	**1,881.3**	106.3

The accompanying notes form part of these financial statements.

The financial statements on pages 6 to 18 were approved by the Board of Directors on 17 October 2022 and signed on their behalf by

Andrew Mounsey
Director
17 October 2022

CARLISLE PLACE VENTURES LIMITED

Statement of changes in equity for the period ended 29 January 2022

	Share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 25 January 2020	8,000.0	(6,489.6)	1,510.4
Share capital issued	2,000.0	-	2,000.0
Loss and total comprehensive income for the period	-	(3,404.1)	(3,404.1)
Balance at 30 January 2021	10,000.0	(9,893.7)	106.3
Share capital issued	4,300.0	-	4,300.0
Loss and total comprehensive income for the period	-	(2,525.0)	(2,525.0)
Balance at 29 January 2022	**14,300.0**	**(12,418.7)**	**1,881.3**

The accompanying notes form part of these financial statements.

Notes to the financial statements

1. Accounting policies

Basis of accounting
The financial statements are prepared in accordance with United Kingdom Accounting Standards, in particular Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and the Companies Act 2006.

FRS 101 sets out a reduced disclosure framework for a "qualifying entity" as defined in the standard, which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of International Financial Reporting Standards (IFRS). The Company is a qualifying entity for the purposes of FRS 101.

The disclosure exemptions adopted by the Company in accordance with FRS 101 are as follows:
- The requirements of IAS 7 to present a cash flow statement;
- The requirements of paragraph 17 of IAS 24, Related Party Disclosures, to disclose information related to key management personnel, and the requirements of IAS 24 to disclose related party transactions between two or more members of a group for wholly owned subsidiaries;
- The requirements of IFRS 7 Financial Instruments: Disclosures;
- The requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- The requirements of paragraph 6 IFRS 16 Leases with respect to short term leases;
- The requirements of paragraph 58 of IFRS 16 Leases;
- The requirements of paragraphs 30 and 31 of IAS 8 to disclose information assessing the possible impact of new standards issued but which are not yet effective; and
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers.

The financial year is the 52 weeks ended 29 January 2022 (prior year: 53 weeks ended 30 January 2021).

Going concern
In determining the appropriate basis of preparation of the financial statements for the period ended 29 January 2022, the Directors are required to consider whether the Company can continue in operational existence for a period of at least 12 months from the approval of the financial statements. The Company is part of a wider group ('the Group'), of which John Lewis plc is the parent company, and the Company's ability to operate as a going concern is directly linked to the Group's position.

The Board of John Lewis plc undertook an assessment of the ability of the Group to continue in operation and meet its liabilities as they fall due for the period ending January 2024 which included a base forecast and a severe downside case which represents an increasingly severe but plausible scenario. The impact of the downside adjustments has been reviewed against the Group's projected cash position and financial covenants. Should these occur, mitigating actions would be required to ensure that the Group remains liquid and financially viable. The downside modelled has a significant adverse impact on sales, margin and cash flow. In response, the Directors have identified available mitigations in the going concern assessment period, all within management's control, to reduce costs and optimise the Group's cash flow, liquidity and covenant headroom. The majority of these mitigations would only be triggered in the event of the downside scenario materialising. This assessment was made available to the Directors of the Company who have considered it in their assessment.

As at 29 January 2022, the Company had net assets of £1.9m. The company is reliant on its parent company, John Lewis plc for future funding. The liquidity position of John Lewis plc as a whole as at 30 July 2022 was £1.5bn, made up of cash and cash equivalents, short term investments and undrawn committed credit facilities of £0.4bn.

Notes to the financial statements (continued)

1. Accounting policies (continued)

Going concern (continued)
John Lewis plc has indicated its intention to continue to make available such funds as are needed by the company to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and has issued a letter of support. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

The Directors have concluded that it is appropriate to adopt the going concern basis, having undertaken an assessment of the financial forecasts with specific consideration to the trading position and funding of the Company in the context of the current inflationary environment. Accordingly, the Directors are satisfied that it is appropriate to adopt the going concern basis of preparing the Company's financial statements.

Revenue
Revenue is recognised on home improvements over time as the benefit is transferred to the customer as building work at their home is completed. The percentage of completion is measured on a weekly basis based on the number of weeks completed on site as a proportion of the total estimated build time. Contract review processes are in place to ensure builds which are ahead of or fall behind schedule are identified, and to ensure total expected costs to complete matches the forecast margin.

Other specific fees are recognised at the point in time where benefits are transferred to the customer. Fees for site survey are recognised on completion by the surveyor and planning fees are recognised on provision of completed plans. Revenue is net of Partner discounts and VAT.

The business is predominantly carried out in the United Kingdom and revenue is derived entirely from that source.

Inventory valuation
Inventory is stated at the lower of cost and net realisable value. Work in progress cost is computed as the cost of materials and services incurred but not yet completed, and transferred to the control of the customer. Slow moving and obsolete stock is assessed for impairment at each reporting period, based on past experience and appropriate provision made.

Property, plant and equipment
The cost of property, plant and equipment includes the purchase price and directly attributable costs of bringing the asset to its working condition for its intended use.

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

The Company has elected to apply the exemption for short-term leases and therefore will not recognise right-of-use assets and lease liabilities on the balance sheet for leases of less than 12 months in duration.

Notes to the financial statements (continued)

1. Accounting policies (continued)

Depreciation
Depreciation is calculated for assets other than land to write off the cost or valuation, less residual value, on a straight line basis over their expected useful economic life, at the following rates:
- Fixtures, fittings and equipment (including vehicles and information technology equipment) – 3 to 10 years.
- Other leaseholds - over the shorter of the useful economic life and the remaining period of the lease.

The assets' residual values and useful economic lives are reviewed at least at each balance sheet date.

Impairment
Assets are reviewed for impairment at least annually or whenever events or circumstances indicate that the net book value may not be recoverable. Impairment testing is on cash generating units ('CGUs') which is the Company as a whole, being the lowest level of separately identifiable cash flows. An impairment loss is recognised for the amount by which an asset's net book value exceeds its recoverable amount, the latter being the higher of the asset's fair value less costs to dispose and value in use. Value in use calculations are performed using cash flow projections, discounted at a pre-tax rate which reflects the asset specific risks and the time value of money.

Where an impairment loss subsequently reverses, the carrying amount of the CGU is increased to the revised estimate of the recoverable amount, but ensuring the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised for the CGU in prior years. A reversal of an impairment loss is recognised immediately as a credit to the statement of comprehensive income.

Taxation
Tax on the profit or loss for the year comprises current and deferred taxation. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is recognised directly in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustments to tax payable in respect of previous years.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax arising from the initial recognition of an asset of liability in a transaction, other than a business combination, that at the time of the transaction affects neither the accounting, nor taxable profit or loss, is not recognised. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are enacted or substantively enacted at the balance sheet date that are expected to apply to the period when the asset is realised or the liability is settled.

Offsetting
Balance sheet netting only occurs to the extent that there is the legal ability and intention to settle net.

Notes to the financial statements (continued)

1. Accounting policies (continued)

Cash and cash equivalents
Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with original maturities of less than 90 days which are subject to an insignificant risk of changes in value.

Trade and other receivables
Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost less an allowance for expected credit losses using the simplified approach under IFRS 9. Such allowances are based on an individual assessment of each receivable, which is informed by past experience, and are recognised at amounts equal to the losses expected to result from all possible default events over the life of each financial asset.

Trade payables
Trade payables are initially recognised at fair value and subsequently measured at amortised cost.

Contract assets and liabilities
When the Company completes building work or provides services to a customer before the customer pays consideration or before payment is due, the amount of revenue associated with the building work or transfer of the services is accrued and presented as a contract asset in the balance sheet (excluding any amounts presented as a receivable). A contract asset represents the Company's right to consideration in exchange building works or services that the Company has transferred to a customer and is recognised within Trade and other receivables.

If a customer pays consideration, or the Company has a right to an amount of consideration that is unconditional (i.e. a receivable), before the Company completes building work or transfers a service to the customer, the amount is presented as a contract liability on the balance sheet. A contract liability represents the Company's obligation to complete building work or transfer services to a customer for which the entity has received consideration (or an amount of consideration is due) from the customer.

Lease liabilities
The Company assesses whether a contract is or contains a lease based on whether the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

Under IFRS 16, the Company recognises right-of-use assets and lease liabilities at the lease commencement date. The lease liabilities are initially measured at the present value of the lease payments that are not yet paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses the incremental borrowing rate as the discount rate and this rate is determined on a portfolio basis, in relation to asset type and location.

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

Notes to the financial statements (continued)

1. Accounting policies (continued)

Lease liabilities (continued)
The Company has elected to apply the exemption for recognising right-of-use assets and lease liabilities on the balance sheet for leases where the underlying asset is of low value. Lease expenses relating to low value assets will be recognised in the income statement on a straight-line basis.

Partnership Bonus
The Partnership Bonus is announced and paid to Partners each March; it is determined in relation to the performance of the previous financial year.

The Partnership bonus is recorded in the year it relates to rather than the year it was declared because there is a constructive obligation to pay a Partnership bonus and it can be reliably estimated once the results for the year are known.

The charge in the Carlisle Place Ventures Limited statement of comprehensive income/(expense) represents a share of the Partnership Bonus. This is based on the population of Partners providing services for Carlisle Place Ventures Limited compared to total Partners employed within the Partnership.

Critical accounting estimates and judgements
Estimates and judgements are continually evaluated and are based on historical experience and other relevant factors, including management's reasonable expectations of future events.

The preparation of the financial statements requires management to make estimates and judgements concerning the future. The resulting accounting estimates will, by definition, be likely to differ from the *related actual results. The areas of estimates and judgements that have a significant risk of causing a* material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

Impairment of financial assets
The Company reviews the valuation of the financial assets, specifically trade receivables, on a regular basis to assess expected credit losses, see note 7 for further details.

2. Loss before tax

	2022 **£'000**	2021 £'000
Loss before tax is stated after charging the following:		
Staff costs (note 3.2)	**(2,217.8)**	(3,293.4)
Depreciation	**(47.9)**	(48.0)
Inventory - cost recognised as an expense	**(871.3)**	(559.1)

Auditor remuneration of £30,000 (2021: £21,855) was settled by John Lewis plc and not recharged to the Company.

Notes to the financial statements (continued)

3. Partners

3.1 Partner numbers

Carlisle Place Ventures Limited has no employees however employees of the parent company, John Lewis plc, perform services for the Company and their costs are recharged.

During the period 31 January 2021 to 29 January 2022 the average number of Partners performing services for the Company was 50 (2021: 62).

3.2 Partner benefits

	2022	2021
	£'000	£'000
Staff costs:		
Wages and salaries	**(1,820.1)**	(2,737.6)
Social security costs	**(182.9)**	(277.0)
Partnership Bonus	**(48.3)**	-
Employers' national insurance on Partnership Bonus	**(6.7)**	-
Other pension costs	**(159.8)**	(278.8)
Total	**(2,217.8)**	(3,293.4)

3.3 Directors' emoluments

The Directors are full time executives of John Lewis plc and no part of their remuneration relates to services to this Company. All Directors engaged in the service of the Company are employees of John Lewis plc. No charges were made for their services (2021: £nil).

4. Taxation

4.1 Analysis of tax credit for the period

	2022	2021
	£'000	£'000
Analysis of tax credit:		
Current tax - current period	**590.2**	793.7
Current tax - adjustments in respect of prior years	**(2.1)**	(4.2)
Total current tax credit	**588.1**	789.5
Deferred tax - current year	**(6.5)**	-
Total tax credit	**581.6**	789.5

Notes to the financial statements (continued)

4. Taxation (continued)

4.2 Factors affecting tax credit in the period

The effective tax rate for the period is lower (2021: lower) than the standard corporation tax rate of 19.0% (2021: 19.0%). The differences are explained below:

	2022 **£'000**	2021 £'000
Loss on ordinary activities before tax	**(3,106.6)**	(4,193.6)
Profit before tax multiplied by standard rate of corporation tax in the UK of 19.0% (2021: 19.0%)	**590.2**	796.8
Effects of:		
Deferred tax - current year	**(6.5)**	-
Expenses not deductible for tax purposes	-	(3.1)
Adjustment in respect of prior years	**(2.1)**	(4.2)
Total tax credit	**581.6**	789.5
Effective tax rate	**(18.7%)**	(18.8%)

Losses have been surrendered to another Company in the John Lewis Partnership structure and paid for in full.

4.3 Deferred tax assets

	Tax losses **£'000**	**Total** **£'000**
At 25 January 2020	6.5	6.5
Credited to statement of comprehensive income	-	-
At 30 January 2021	6.5	6.5
Debited to statement of comprehensive income	(6.5)	(6.5)
At 29 January 2022	-	-

4.4 Factors affecting tax charges in current and future years

The Finance Act 2021 increases the UK corporation tax main rate from 19% to 25%, with effect from 1 April 2023.

The company has unused tax losses carried forward of £38,000. No deferred tax assets have been recognised in respect of these as it is not considered probable that these losses will be utilised.

Notes to the financial statements (continued)

5. Property, Plant & Equipment

	Fixtures, fittings and equipment £'000	Total £'000
Cost:		
At 30 January 2021	**25.3**	25.3
Additions	15.1	15.1
At 29 January 2022	**40.4**	40.4
Depreciation:		
At 30 January 2021	(15.3)	(15.3)
Charge for the period	(11.1)	(11.1)
At 29 January 2022	**(26.4)**	**(26.4)**
Net book values at 30 January 2021	10.0	10.0
Net book values at 29 January 2022	**14.0**	**14.0**

6. Right-of-use assets

	Land and Buildings £'000	Total £'000
Cost:		
At 30 January 2021	110.1	110.1
At 29 January 2022	**110.1**	110.1
Depreciation:		
At 30 January 2021	(73.3)	(73.3)
Charge for the period	(36.8)	(36.8)
At 29 January 2022	**(110.1)**	**(110.1)**
Net book values at 30 January 2021	36.8	36.8
Net book values at 29 January 2022	-	-

The lease previously recognised under IFRS 16 by the Company ended in January 2022. It has subsequently been converted into a rolling lease on the same terms as the previous lease with a 3 month cancellation period that can be exercised by either the landlord or the Company. Due to the nature of the lease, moving forward the Company has elected to take the short term lease exemption offered under IFRS 16.

Notes to the financial statements (continued)

7. Trade and other receivables

	2022 £'000	2021 £'000
Trade receivables	**61.4**	28.2
Amounts owed by group companies	**1,148.8**	79.5
Other receivables	**1.6**	2.3
Value added tax	**68.7**	58.0
Prepayments	**227.6**	79.2
Contract assets	**13.1**	11.8
Total	**1,521.2**	259.0

Trade receivables are non-interest bearing and generally on credit terms of less than 90 days. The Company recognises loss allowances for expected credit losses (ECLs) in the income statement.

As at 29 January 2022 the Company had trade and other receivables of £97,800 (2021: £22,400) which were partially or fully impaired. As at 29 January 2022, £65,500 (2021: £nil) of net trade receivables were more than 90 days past due. The Company does not believe this amount requires further impairment (2021: nil).

Other receivables of £nil (2021: £nil) fall due after more than one year.

Amounts owed by group companies are unsecured, repayable on demand and interest free.

8. Trade and other payables

	2022 £'000	2021 £'000
Amounts falling due within one year		
Trade payables	**(159.5)**	(191.1)
Other payables	**(10.7)**	(16.2)
Accruals	**(120.2)**	(81.7)
Contract liabilities	**(64.7)**	(8.9)
	(355.1)	(297.9)

All contract liabilities at 30 January 2021 have been recognised as revenue in the year ended 29 January 2022.

9. Leases

	2022 £'000	2021 £'000
Depreciation charge for right-of-use assets (see note 6)	**(36.8)**	(39.4)
Interest expense on lease liabilities	**(0.3)**	(1.2)
Total cash outflow for leases comprising interest and capital payments	**(37.4)**	(38.8)
Carrying amount of right-of-use assets (see note 6)	-	36.8
Carrying amount of lease liabilities – current	-	37.4

Notes to the financial statements (continued)

10. Share capital

	2022 £'000	2021 £'000
Allotted, issued and fully paid:		
14,300,002 (2021: 10,000,002) ordinary shares of £1 each	**14,300.0**	10,000.0

On 20 October 2021, 4,300,000 ordinary shares were issued for £4,300,000.

11. Subsequent events

On 21 April 2022, the Partnership announced that the lofts and extensions proposition would cease trading following a review of priorities. The Company will complete projects already on site during 2022/23, ensuring that all customer obligations have been fulfilled. There is no change to the kitchens and bathrooms side of the Company's business.

12. Parent Company and qualifying undertakings

The immediate parent undertaking is John Lewis plc, which is also the parent company of the smallest group to consolidate the financial statements of the company. John Lewis Partnership plc, the Company's ultimate parent company, is the parent company of the largest group to consolidate these financial statements. Ultimate control rests with John Lewis Partnership Trust Limited, which holds the deferred ordinary shares issued by John Lewis Partnership plc in trust for the benefit of employees. All of these companies are registered in England and Wales. Copies of these financial statements may be obtained from the Company Secretary, John Lewis Partnership, 171 Victoria Street, London SW1E 5NN.

The address of the registered office of John Lewis plc is 171 Victoria Street, London SW1E 5NN.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, the 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 of 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 judgements and 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website and for the preparation and dissemination of financial statements. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board

Andrew Mounsey
Director
17 October 2022

171 Victoria Street, London, SW1E 5NN

KPMG

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARLISLE PLACE VENTURES LIMITED

Opinion

We have audited the financial statements of Carlisle Place Ventures Limited ("the Company") for the year ended 29 January 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 29 January 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including *Financial Reporting Standard 101 Reduced Disclosure Framework* and
- 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks"), we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, internal audit, legal counsel and inspection of policy documentation as to the Company's high level policies and procedures to prevent and detect fraud, including the internal audit function, and the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we performed procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as impairment assumptions. On this audit we do not believe there is a fraud risk related to revenue recognition because there is limited perceived pressure on management to achieve an expected revenue target and limited opportunity to commit fraud.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior management, manual journals posted irregularly by users and unusual opposing entries.
- Assessing significant accounting estimates for bias.

Identifying and responding to risks of material misstatement due to the non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through our discussion with the directors, and other management (as required by auditing standards, and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect; health and safety, fraud bribery and corruption, and environmental protection legislation, recognising the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

We discussed with Those Charged with Governance, matters related to actual or suspected breaches of laws and regulations, for which disclosure is not necessary, and considered any implications for our audit.

Context of the ability of the audit to detect fraud or breaches of laws and regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflecting in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report.
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 19, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Nicholas Frost (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5GL
United Kingdom
18 October 2022