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CARLISLE PLACE VENTURES LIMITED

Company number: 02829583

Financial Statements for the period ended 28 January 2023

Contents

CARLISLE PLACE VENTURES LIMITED

Company number: 02829583

Company information

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

Directors' report for the period ended 28 January 2023

The Directors present their report and the audited financial statements for the period 29 January 2022 to 28 January 2023.

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.

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.

On 21 April 2022, the Partnership announced that the lofts and extensions proposition operated by the Company would cease. On 18 May 2023, it was announced that the Company would stop offering fitted bathrooms and home improvement projects, ceasing all trade. Following the completion of fitted bathroom and home improvements projects already sold, trade through the Company is expected to cease in late 2023.

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

Richard Ambler
Andrew Mounsey (appointed 14 April 2022)
Bérangère Michel (resigned 13 April 2022)

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 16.

Directors' report for the period ended 28 January 2023 (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 Company announced the intention to cease trading on 18 May 2023 and so in accordance with the requirements of IAS 1 paragraph 25 the directors do not consider it appropriate to prepare the financial statements on a going concern basis. Consequently the directors have prepared the financial statements on a basis other than a going concern. Adjustments were made in the financial statements to provide for liabilities arising from the decision to cease trading. It was not necessary to reclassify non-current assets or long term liabilities as all assets and liabilities are current.

Small companies exemption
The Company has taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006 when preparing the directors report and the exemption from preparing a strategic report provided by section 414B of the Companies Act 2006.

Approved by the Directors and signed on behalf of the Board

Andrew Mounsey
Director
9 October 2023

Statement of comprehensive income
for the period 52 week period ended 28 January 2023

Notes		2023 £'000	2022 £'000
	Revenue	**2,953.9**	1,807.8
	Cost of sales	**(2,715.4)**	(1,543.6)
	Gross profit	**238.5**	264.2
	Operating and administrative expenses	**(2,783.5)**	(3,370.5)
	of which:		
	Partnership Bonus	-	(55.0)
	Operating loss	**(2,544.9)**	(3,106.3)
	Net finance expense	-	(0.3)
3	**Loss before tax**	**(2,544.9)**	(3,106.6)
5	Taxation	**484.0**	581.6
	Loss and total comprehensive expense for the period	**(2,060.9)**	(2,525.0)

The accompanying notes form part of these financial statements.

Balance sheet
as at 28 January 2023

Notes		**2023**	2022
		£'000	£'000
	Non-current assets		
6	Property, plant and equipment	**-**	14.0
		-	14.0
	Current assets		
7	Trade and other receivables	**482.2**	1,521.2
	Cash and cash equivalents	**769.4**	701.2
		1,251.6	2,222.4
	Total assets	**1,251.6**	2,236.4
	Current liabilities		
8	Trade and other payables	**(1,281.1)**	(355.1)
	Provisions	**(150.1)**	-
		(1,431.2)	(355.1)
	Total liabilities	**(1,431.2)**	(355.1)
	Net assets	**(179.6)**	1,881.3
	Equity		
10	Share capital	**14,300.0**	14,300.0
	Retained earnings	**(14,479.6)**	(12,418.7)
	Total equity	**(179.6)**	1,881.3

For the year ending 28 January 2023 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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
9 October 2023 and signed on their behalf by

Andrew Mounsey
Director
9 October 2023

Carlisle Place Ventures Limited — Company number 02829583

CARLISLE PLACE VENTURES LIMITED

Statement of changes in equity for the period ended 28 January 2023

	Share capital £'000	Retained earnings £'000	Total equity £'000
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
Loss and total comprehensive income for the period	-	(2,060.9)	(2,060.9)
Balance at 28 January 2023	**14,300.0**	**(14,479.6)**	**(179.6)**

The accompanying notes form part of these financial statements.

Notes to the financial statements

1. General information

The Company is a private company limited by shares, incorporated in the United Kingdom and registered in England and Wales. The Company's registered number is 02829583. The Company's principal activity is the provision of home improvement services to consumers but is planning to cease trading in late 2023.

2. Accounting policies

Basis of accounting

The financial statements are prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with United Kingdom Accounting Standards, in particular Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

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 28 January 2023 (prior year: 52 weeks ended 29 January 2022).

Going concern

The Company announced the intention to cease trading on 18 May 2023 and so in accordance with the requirements of IAS 1 paragraph 25 the directors do not consider it appropriate to prepare the financial statements on a going concern basis. Consequently the directors have prepared the financial statements on a basis other than a going concern. Adjustments were made in the financial statements to provide for liabilities arising from the decision to cease trading. It was not necessary to reclassify non-current assets or long term liabilities as all assets and liabilities are current.

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.

Notes to the financial statements (continued)

2. Accounting policies (continued)

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.

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.

Notes to the financial statements (continued)

2. Accounting policies (continued)

Taxation *(continued)*
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.

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 for 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.

Notes to the financial statements (continued)

2. Accounting policies (continued)

Lease liabilities (continued)
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.

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
Whether to award a Partnership Bonus is decided by the Partnership Board each March, having regard to performance in the previous year. When the Partnership Board has decided to award a Bonus, it is announced and paid in the same month.

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.

Exceptional items
Exceptional items are those where, in management's opinion, their separate reporting provides a better indication of the Company's underlying business performance; and which are significant by virtue of their size and nature.
In assessing whether an item is exceptional, the nature of the item is considered. This assessment includes, both individually and collectively, each of the following:

- Whether the item is outside of the principal activities of the business;
- The specific circumstances which have led to the item arising; and
- The likelihood of recurrence.

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.

Notes to the financial statements *(continued)*

2. Accounting policies *(continued)*

Critical accounting estimates and judgements (continued)
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.

3. Loss before tax

	2023 £'000	2022 £'000
Loss before tax is stated after charging the following:		
Staff costs (note 3.2)	**(2,183.9)**	(2,217.8)
Depreciation	**(14.0)**	(47.9)
Inventory - cost recognised as an expense	**(1,510.0)**	(871.3)

Auditor remuneration of £nil (2022: £30,000) was settled by John Lewis plc and not recharged to the Company.

4. Partners

4.1 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 29 January 2022 to 28 January 2023 the average number of Partners performing services for the Company was 44 (2022: 50).

4.2 Partner benefits

	2023 £'000	2022 £'000
Staff costs:		
Wages and salaries	**(1,851.8)**	(1,820.1)
Social security costs	**(194.4)**	(182.9)
Partnership Bonus	-	(48.3)
Employers' national insurance on Partnership Bonus	-	(6.7)
Other pension costs	**(137.7)**	(159.8)
Total	**(2,183.9)**	(2,217.8)

4.3 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 (2022: £nil).

5. Taxation

5.1 Analysis of tax credit for the period

	2023 £'000	2022 £'000
Analysis of tax credit:		
Current tax - current period	**483.5**	590.2
Current tax - adjustments in respect of prior years	**0.5**	(2.1)
Total current tax credit	**484.0**	588.1
Deferred tax - current year	-	(6.5)
Total tax credit	**484.0**	581.6

Notes to the financial statements (continued)

5. Taxation (continued)

5.2 Factors affecting tax credit in the period

The effective tax rate for the period is the same as (2022: lower) than the standard corporation tax rate of 19.0% (2022: 19.0%). The differences are explained below:

	2023 £'000	2022 £'000
Loss on ordinary activities before tax	**(2,544.9)**	(3,106.6)
Profit before tax multiplied by standard rate of corporation tax in the UK of 19.0% (2021: 19.0%)	**484.0**	590.2
Effects of:		
Deferred tax - current year	**-**	(6.5)
Adjustment in respect of prior years	**0.5**	(2.1)
Total tax credit	**484.5**	581.6
Effective tax rate	**19.0%**	18.7%

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

5.3 Factors affecting tax charges in current and future years

The Government announced in March 2021 that the rate of Corporation Tax will increase from April 2023 to 25% for companies with profits over £250,000. This will increase the tax rate applied on taxable profits and losses from the 2023/24 financial year.

Notes to the financial statements *(continued)*

6. Property, Plant & Equipment

	Fixtures, fittings and equipment £'000
Cost:	
At 29 January 2022 and **28 January 2023**	**40.4**
Accumulated depreciation:	
At 29 January 2022	(26.4)
Charge for the period*	(14.0)
At 28 January 2023	**(40.4)**
Net book values at 29 January 2022	14.0
Net book values at 28 January 2023	-

*Includes a £6k write off

7. Trade and other receivables

	2023 £'000	2022 £'000
Trade receivables	**31.8**	61.4
Amounts owed by group companies	-	1,148.8
Other receivables	**8.4**	1.6
Value added tax	**104.3**	68.7
Prepayments	**337.7**	227.6
Contract assets	-	13.1
Total	**482.2**	1,521.2

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 28 January 2023 the Company had trade and other receivables of £114,500 (2022: £97,800) which were partially or fully impaired. As at 28 January 2023, £50,600 (2022: £65,500) of net trade receivables were more than 90 days past due. The Company does not believe this amount requires further impairment (2022: nil).

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

8. Trade and other payables

	2023 £'000	2022 £'000
Amounts falling due within one year		
Trade payables	**(160.1)**	(159.5)
Amounts owed to group companies	**(900.4)**	-
Other payables	**(4.1)**	(10.7)
Accruals	**(217.7)**	(120.2)
Contract liabilities	-	(64.7)
	(1,281.1)	(355.1)

All contract liabilities at 29 January 2022 have been recognised as revenue in the year ended 28 January 2023.

Notes to the financial statements (continued)

9. Leases

	2023 £'000	2022 £'000
Depreciation charge for right-of-use assets	-	(36.8)
Interest expense on lease liabilities	-	(0.3)
Total cash outflow for leases comprising interest and capital payments	-	(37.4)

10. Share capital

	2023 £'000	2022 £'000
Allotted, issued and fully paid:		
14,300,002 (2022: 14,300,002) ordinary shares of £1 each	**14,300.0**	14,300.0

11. Subsequent events

On 18 May 2023, the Partnership announced that the fitted bathrooms and home improvements propositions would cease trading. The fitted kitchen services operated in the Bluewater and Kingston John Lewis stores have been transferred to the core John Lewis Partnership business, with trade through the Company expected to cease in the second half of the 52 week period to 27 January 2024, following completion of projects already underway.

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.

CARLISLE PLACE VENTURES LIMITED

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

The directors are responsible for preparing 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
9 October 2023

171 Victoria Street, London, SW1E 5NN