

Furniture Village Group Limited

Report and Financial Statements

For the 66 weeks ended 3 July 2022



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Officers and professional advisors

Directors

P J Harrison	(Executive Chairman)
C E Shiels	(Resigned 31 August 2022)
C G Harrison	
E G Wynne	
M Broughton	(Appointed 1 April 2021)
N J Hipkiss	(Appointed 4 July 2022)
D S Ayers	(Appointed 26 January 2023)
C J Cooper	(Appointed 26 January 2023)

Non-executive Directors

J C Hodgkinson	(Resigned 26 January 2023)
S McPartland MP	(Resigned 8 July 2022 and re-appointed 22 November 2022)
J E Vinson	(Resigned 30 November)
M Cowan	(Appointed 26 January 2023)

Secretary

E G Wynne

Bankers

Bank of Scotland
33 Old Broad Street
London EC2N 1HW

Registered Office

258 Bath Road
Slough
Berkshire SL1 4DX

Strategic Report

The directors present their Strategic Report for the 66 weeks ended 3 July 2022.

Principal Activity

The principal activity of the Company is the investment in Furniture Village Limited, a company which sells quality furniture to the retail market.

Review of the Business

The profit for the year, after taxation but before dividend payments, amounted to £1,472k (52 weeks ended 28 March 2021 – profit of £1,222k). The directors have paid an ordinary dividend to Furniture Village Holdings Limited, the parent company, of £1,250k (52 weeks ended 28 March 2021 – £1,000k) during the year.

The company will continue to be a holding company of Furniture Village Limited in the future.

Change in Accounting reference date

On 9 March 2021, the Board decided to extend the Company accounting reference date. This report therefore covers the 66-week period from 29 March 2021 to 3 July 2022. The previous report covered the 52 weeks to 28 March 2021.

The decision to extend the accounting reference date was driven primarily by operational effectiveness considerations. The previous accounting reference date fell at the end of March (the end of the first calendar quarter), which meant the business was subject to the volatile influences of both Chinese New Year and Easter on supply chains.

Changing the accounting reference date to the end of the second calendar quarter now removes this volatility and should therefore contribute to improved operational effectiveness and allow for better comparability of results between trading periods.

Principal Risks and Uncertainties

The business has assessed the impact of Brexit and has determined that there has been no significant impact on the business.

The principal risks for the Company and the Furniture Village group of companies are segmented and managed accordingly:

Strategic risk

The trading strategy is regularly revisited and reviewed to ensure its appropriateness to today's trading environment and customer trends. As such, we remain convinced that the broad strategic direction which has served us so well over many years remains the relevant one for the market in which we operate, as consumers place increasingly more emphasis on trust, service, quality, choice and value, playing strongly to our existing core strengths.

We continue to invest in the internet site and multi-channel, though we are steadfast in the need for both stores and online, particularly at the mid to upper end of the furniture market where customers still want to 'touch and feel' the furniture.

Covid19 Risk

Covid19 was initially identified as a supply chain risk, before increasing to a business resilience risk as cases escalated and lockdown measures were deployed in the UK, albeit this was mitigated by initiatives to drive customers online and to utilise other technological mediums such as video calls, to bring the store to the customer.

Since the re-opening of our stores in April 2021, the success of the national vaccination programme and the adherence to our internal safety measures has meant no further disruption to the business from an order intake perspective. The only element of risk currently relates to the ongoing supply chain disruption and increased container costs, both of which have now returned to pre-Covid levels post year-end.

Our assessment therefore is that Covid-19 now represents a very low risk to the business.

Strategic Report (continued)

Financial risk

The Group aims to maintain good working relationships with all financial counterparties and engages proactively to ensure they understand the Group financial performance. We regularly review financial forecasts and wide-ranging sensitivities to ensure robust levels of cash headroom.

New investment opportunities are subject to detailed and rigorous financial appraisal and foreign exchange risks are managed through the use of forward purchases as appropriate.

Cyber Crime and General Data Protection Regulation (GDPR) risk

During the reporting period (May 2021), the group was subject to a sophisticated Cyber Incident the impact which was significantly mitigated due to the existing security in place. All relevant authorities were informed of the incident, necessary reactive steps taken to mitigate any loss and additional measures have been taken to prevent a re-occurrence. Thankfully, no customer data was lost and no further reporting nor actions beyond those already in place were required to be taken.

Since the introduction of GDPR we have robust policies in place to ensure we comply with the regulations and although an independent review of our systems confirmed that there was no breach of our customer database, these have been further reviewed in light of the Cyber Incident.

Operational risk

Store managers, supported by regional management, ensure operational standards are maintained and our focus on quality stores, systems and infrastructure seek to ensure consistency of performance, bolstered further by the deployment of 'Best Practice' throughout the Group.

Our supplier base is managed in an open, honest and constructive manner, with quality of service being of huge importance to us and regular dialogue continues to ensure adherence to our exacting product standards and lead-time requirements. Furthermore, we seek to ensure that key suppliers are able to adapt to unforeseen circumstances and/or fluctuations in demand to minimise any supply chain risk.

Health & Safety and other Regulatory Compliance risk

The business takes its compliance responsibilities very seriously and seeks to adhere to all relevant legislation. We also engage with external parties, including having a Primary Authority relationship with Slough Borough Council, to ensure that current practices, procedures and training methods are effective and robust and in doing so that we protect all stakeholders.

We have a strong compliance team, seeking assured advice on numerous aspects of Health and Safety, ensuring that appropriate standards, controls and records are maintained.

Statement by the Directors in performance of their statutory duties in accordance with Section 172 of the Companies Act 2006

The Directors of Furniture Village Group Limited are bound by their duties under the Companies Act 2006, including their duty to promote the success of the Company for the benefit of its members as a whole.

The detail below sets out how the Directors have, in performing their duties, had regard to the matters set out in section 172(1)(a)-(f) of the Companies Act 2006, for the 66 weeks ended 3 July 2022. The information provided below is for the Furniture Village group of companies. The Directors consider the following to be the Company's key stakeholders:

- **Our Customers**

Providing both our existing and future customers with outstanding quality, choice and value, is at the heart of what we do. We strive to provide exceptional service at every point in the customer journey and actively seek and monitor customer feedback and reviews in order to evaluate and improve the customer experience.

Strategic Report (continued)

We regularly review our product offering to ensure it is aligned with changing customer aspirations and are constantly utilising technology to ensure customers are able to view and order product through the medium of their choice, including offering appointments in-store and via video calls.

• Our People

Our people are what make our business successful and nurturing a motivated, passionate and skilled team is pivotal to our continued evolution and relevance in today's ever-changing world. We engage with all our workforce regularly, including a company-wide weekly newsletter, frequent update meetings and more recently participation in the 'Best Companies' programme. At the same time the Board also regularly visits both stores, fulfilment centres and support hubs to further engage and gain 'first-hand' insight.

The health, safety and well-being of our people is of the utmost importance and we ensure we have appropriate policies and procedures in place to safeguard them. We are furthermore constantly reviewing our pay and benefits to ensure our people are appropriately rewarded, with our practice of 'Perform, Achieve, Reward' remaining a key ingredient of our ethos.

• Our Suppliers

Our Suppliers are vital to our mission to deliver quality, choice and value to our customers, whether providing furniture, premises or any other goods or services required to operate our business.

We have long-standing relationships with most of our suppliers, many of whom are well established brands themselves, and we work in collaboration to ensure our products evolve, with frequent new product launches.

We also carry out regular reviews to ensure exacting standards of product quality and adherence to both committed lead-times and Modern Slavery Regulations alongside commercial reviews to ensure value for money and service standards.

• Our Shareholders

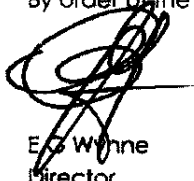
The relationship with our external investor, The Business Growth Fund ('BGF'), which was in place during the period covered by this report, has been very supportive and we have always sought to protect their investment and generate long term value. In November 2022 an amicable financial arrangement was reached with the BGF and other shareholders which enabled the business to buy-back their shareholding and they ceased to be shareholders in the business.

We engage with our shareholders through regular meetings and various other communications and updates to ensure they are fully informed on the strategic plan. We are committed to delivering on the financial results that are part of our strategic plan.

• Our Communities

Furniture Village operates out of multiple locations and our communities expect us to act responsibly and positively influence the local communities in which we operate. We currently have over a thousand employees, with our continued expansion creating further job opportunities. We have continued to support both local and national charities during the year, as well as those that support the furniture and wider retail sector.

By order of the Board



E. J. Whine
Director

Date 30 MARCH 2023

Directors' Report

The directors present their report and financial statements for the 66 weeks ended 3 July 2022.

Results and Dividends

The profit for the year, after taxation, amounted to £1,472k (52 weeks ended 28 March 2021 £1,222k). The net assets of the Company were £4,169k (52 weeks ended 28 March 2021 £3,947k).

The directors have paid an ordinary dividend to Furniture Village Holdings Limited, the parent company, of £1,250k (52 weeks ended 28 March 2021 £1,000k) during the year.

Future Developments

The directors aim to maintain the management policies and strategy which have resulted in the company performance remaining consistent year on year.

Directors

The directors who served during the year and up to the date of signing these financials were as follows:

P J Harrison (Executive Chairman)

C G Harrison

E G Wynne

M Broughton

Post year end and prior to signing of these accounts, C E Shiels resigned as director. N J Hipkiss, D S Ayers and C J Cooper have been appointed as directors post year end.

Non-executive Directors

The non-executive directors who served during the year and up to the date of signing these financials were as follows:

Rt Hon S McPartland MP

Post year end and prior to signing of these accounts, J E Vinson and J C Hodgkinson resigned as non-executive directors. Rt Hon S McPartland MP resigned temporarily as non-executive director post year end whilst temporarily serving as Security Minister and was re-appointed in November 2022 once that role ceased. M Cowan was appointed a non-executive director post year end.

Directors' qualifying third party indemnity provisions

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought about by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third-party indemnity provision was in force throughout the year and remains in force as at the date of approving the Directors' report.

Going concern

Furniture Village Group Limited owns 100% of the equity of Furniture Village Limited, the trading company, and is in turn owned 100% by the ultimate parent company Furniture Village Holdings Limited. Funding is provided within the group through loans held in the parent undertaking, Furniture Village Holdings Limited. As such, the following statement on going concern is extracted from the consolidated accounts of the group due to its direct relevance to Furniture Village Group Limited.

The Group had net assets of £20,516k (2021: £7,581k) and cash at year end was £48,559k (2021: £37,636k) and the Group has continued to generate positive EBITDA and cash since that time. As noted elsewhere in this report, a successful buy-back of shares was concluded with certain shareholders, including the Business Growth Fund, after the balance sheet date. This transaction was funded completely out of internally generated funds. Available cash remains in excess of £30m at the date of signing these financial statements.

Directors' Report (continued)

Going concern (continued)

In assessing whether the going concern basis is appropriate, the Directors take into account all available information about the future up to and including 30 June 2024, which is more than 12 months from the date of the approval of these financial statements. The Directors have performed this review at a Group and Company level, including considering a reasonable worst-case scenario.

The Directors have considered the cash flow forecasts and profitability of the Group and Company and have applied a combination of sensitivities to model potential scenarios to reflect differing market conditions and challenges. Taking these forecasts into account, the Directors believe that the Group and Company has adequate resources and facilities to continue trading effectively for the foreseeable future. On this basis, the Directors continue to adopt the going concern basis of accounting in preparing this Report and Financial Statements.

The Group had net assets of £20,516k (2021: £7,581k) and cash at year end was £48,559k (2021: £37,636k) and the Group has continued to generate positive EBITDA and cash since that time. The BGF loans have now been settled in full and available cash remains in excess of £40m at the date of signing these financial statements.

Elective resolution

The company has passed Elective Resolutions to dispense with the laying of the financial statements before the company in General Meeting and the holding of the Annual General Meetings, pursuant to section 485 of the Companies Act 2006.

By order of the Board



E G Wynne

Director

Date 30 MARCH 2023

Statement of directors' responsibilities

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 period. 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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the 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.

Income statement

for the 66 weeks ended 3 July 2022

		66 weeks ended 3 July 2022 £000	52 weeks ended 28 March 2021 £000
	Notes		
Operating profit	2	–	–
Equity dividends received from Furniture Village Limited		1,250	1,000
Non-equity dividends received from Furniture Village Limited		222	222
		<hr/>	<hr/>
Profit on ordinary activities before taxation		1,472	1,222
Tax	5	–	–
		<hr/>	<hr/>
Profit for the financial period		1,472	1,222
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All the activity of the Company has been generated through continuing operations in both the current and preceding periods.

Statement of comprehensive income

for the 66 weeks ended 3 July 2022

	66 weeks ended 3 July 2022 £000	52 weeks ended 28 March 2021 £000
Profit for the financial period	1,472	1,222
Total other comprehensive income	-	-
Total comprehensive income	1,472	1,222

Statement of change in equity

for the 66 weeks ended 3 July 2022

	Share capital £000	Share premium £000	Profit and loss reserve £000	Total share- holders' funds £000
At 29 March 2020	2,383	3	1,339	3,725
Total comprehensive income	–	–	1,222	1,222
Ordinary dividends paid to parent undertaking	–	–	(1,000)	(1,000)
At 28 March 2021	2,383	3	1,561	3,947
Total comprehensive income	–	–	1,472	1,472
Ordinary dividends paid to parent undertaking	–	–	(1,250)	(1,250)
At 3 July 2022	2,383	3	1,783	4,169

Statement of Financial Position

at 3 July 2022

	Note	3 July 2022 £000	28 March 2021 £000
Fixed assets			
Investments	7	19,454	19,454
Current assets			
Debtors: amounts falling due within one period	8	19,710	18,238
Cash	11(b)	5	5
Creditors: amounts falling due within one period	9	19,715 (35,000)	18,243 (33,750)
Net current liabilities		(15,285)	(15,507)
Total assets less current liabilities		4,169	3,947
Capital and reserves			
Called up share capital	10	2,383	2,383
Share premium account		3	3
Profit and loss reserve		1,783	1,561
Shareholders' funds		4,169	3,947

For the year 66 weeks ending 3 July 2022 the Company was entitled to exemption from audit under s479A of the Companies Act 2006 relating to subsidiary companies.

Directors responsibilities:

- the members have not required the Company to obtain an audit of its account for the year in question in accordance with s476;
- the director's acknowledge their responsibilities for complying with the requirements of the Act in respect to accounting records and the preparation of the accounts.

C G Harrison - Director

E G Wynne - Director

Date 30 MARCH 2023

Statement of Cash Flow

for the 66 weeks ended 3 July 2022

		66 weeks ended 3 July 2022 £000	52 weeks ended 28 March 2021 £000
	Note		
Net cash outflow from continuing operating activities	11	(222)	(222)
Investing activities			
Equity dividends received from Furniture Village Limited		1,250	1,000
Non-equity dividends received from Furniture Village Limited		222	222
Net cash flow from investing activities		1,472	1,222
Financing activities			
Intercompany ordinary dividend paid to parent undertaking	6	(1,250)	(1,000)
Net cash used in financing activities		(1,250)	(1,000)
Change in cash resulting from cash flows		—	—
Cash at beginning of financial period		5	5
Cash at end of financial period		5	5

Notes to the financial statements

for the 66 weeks ended 3 July 2022

1. Accounting policies

Statement of compliance

Furniture Village Group Limited is a limited liability company incorporated in the United Kingdom. The registered office is 258 Bath Road, Slough, Berkshire, SL1 4DX. The Company's financial statements have been prepared in compliance with FRS 102 for the 15 months ended 3 July 2022.

Basis of preparation

The financial statements are prepared in accordance with applicable accounting standards.

The financial statements are prepared in sterling which is the functional currency of the Company and rounded to the nearest £'000.

The Company and the Group have changed Accounting Reference Date for the period to 3 July 2022. Amounts reported in the financial statements cover the 66 weeks ended 3 July 2022 and are not entirely comparable to the prior year results which cover the 52 week period ended 28 March 2021. The decision to change the Accounting Reference Date was taken to minimise the impact of Chinese New Year and Easter, which are both in close proximity to the prior Accounting Reference Date, on operations and profitability of the business going forward.

In accordance with s479A of the Companies Act 2006 the Company has claimed exemption from the audit relating to subsidiary companies in respect of the current financial year.

Going Concern

Furniture Village Group Limited owns 100% of the equity of Furniture Village Limited, the trading company, and is in turn owned 100% by the ultimate parent company Furniture Village Holdings Limited. Funding is provided within the group through loans held in the parent undertaking, Furniture Village Holdings Limited. As such, the following statement on going concern is extracted from the consolidated accounts of the group due to its direct relevance to Furniture Village Group Limited.

The Group had net assets of £20,516k (2021: £7,581k) and cash at year end was £48,559k (2021: £37,636k) and the Group has continued to generate positive EBITDA and cash since that time. As noted elsewhere in this report, a successful buy-back of shares was concluded with certain shareholders, including the Business Growth Fund, after the balance sheet date. This transaction was funded completely out of internally generated funds. Available cash remains in excess of £30m at the date of signing these financial statements.

In assessing whether the going concern basis is appropriate, the directors take into account all available information about the future up to and including 30 June 2024, which is more than 12 months from the date of the approval of these financial statements. The Directors have performed this review at a Group and Company level, including considering a reasonable worst-case scenario.

The Directors have considered the cash flow forecasts and profitability of the Group and Company and have applied a combination of sensitivities to model potential scenarios to reflect differing market conditions and challenges. Taking these forecasts into account, the Directors believe that the Group and Company has adequate resources and facilities to continue trading effectively for the foreseeable future. On this basis, the Directors continue to adopt the going concern basis of accounting in preparing this Report and Financial Statements.

Group financial statements

The Company is exempt, by virtue of section 400 of the Companies Act 2006, from the requirement to prepare group financial statements as it is a wholly owned subsidiary and is included in the consolidated financial statements of Furniture Village Holdings Limited which are publicly available (note 13). Therefore, these financial statements present information about the Company and not its group.

Notes to the financial statements (continued)

for the 66 weeks ended 3 July 2022

1. Accounting policies (continued)

Investments

All fixed asset investments are initially recorded at cost. The carrying value is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

The Company has elected to treat the carrying amount of investments in subsidiaries under previous UK GAAP at the date of transition as deemed cost on transition to FRS 102.

Revenue recognition

Dividend revenue is recognised when the Company's right to receive payment is established.

Cash

Cash comprises of cash at banks and in hand.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in administrative expenses.

Classification of shares as debt or equity

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Accordingly, a financial instrument is treated as equity if:

(i) there is no contractual obligation to deliver cash or other financial assets or to exchange financial assets or liabilities on terms that may be unfavourable; and

(ii) the instrument is a non-derivative that contains no contractual obligations to deliver a variable number of shares or is a derivative that will be settled only by the Company exchanging a fixed amount of cash or other assets for a fixed number of the Company's own equity instruments.

When shares are issued, any component that creates a financial liability of the Company is presented as a liability in the Statement of Financial Position, measured initially at fair value net of transaction costs and thereafter at amortised cost until extinguished on conversion or redemption. The corresponding dividends relating to the liability component are charged as interest expense in the income statement. The initial fair value of the liability component is determined using a market rate for an equivalent liability without a conversion feature. The remainder of the proceeds on issue is allocated to the equity component and included in shareholders' equity, net of transaction costs. The carrying amount of the equity component is not re-measured in subsequent years. Transaction costs are apportioned between the liability and equity components of the shares based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

2. Operating Profit

This is stated after charging:

66 weeks ended 3 July 2022 £000	52 weeks ended 28 March 2021 £000
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Auditor's remuneration

Audit of the financial statements – Furniture Village Group Limited

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Audit fees incurred in relation to Furniture Village Group Limited for both financial periods are borne by Furniture Village Limited. No costs in relation to non-audit services have been incurred by the Company during the financial period.

Notes to the financial statements (continued)

for the 66 weeks ended 3 July 2022

3. Directors' remuneration

The duties performed for Furniture Village Group Limited as a company by the Directors are minimal and the directors do not consider that they have received any remuneration for any incidental services to the Company. The directors are also directors of other companies within the Furniture Village Holdings Group and are remunerated for their services through Furniture Village Limited.

4. Staff costs

Furniture Village Group Limited does not have any employees.

5. Tax

(a) Details of (assets and payments) and liabilities and receipts

	66 weeks ended 3 July 2022 £000	52 weeks ended 28 March 2021 £000
Current tax:		
Corporation tax payable current year	-	-
Total current tax (note 5(b))	-	-
Deferred tax:		
Originating and reversal of timing differences	-	-
Total Deferred tax	-	-

(b) The charge for the year can be reconciled to profit per the income statement as follows:

	66 weeks ended 3 July 2022 £000	52 weeks ended 28 March 2021 £000
Profit on ordinary activities before tax	1,472	1,222
Tax on profit at standard rate of 19% (52 wks ended 28 March 2021 19%)	280	232
Effects of:		
Non-taxable income	(280)	(232)
Total current tax (note 5(a))	-	-

Notes to the financial statements (continued)

for the 66 weeks ended 3 July 2022

5. Tax (continued)

(c) Factors that may impact future tax charge

The standard rate of Corporation Tax in the UK is 19% with effect from 1 April 2017. Accordingly, the Company's profits for this accounting period are taxed at an effective rate of 19%.

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. Deferred taxes on the balance sheet have been measured at 25% (2020 – 19%) which represents the future corporation tax rate that was enacted at the balance sheet date.

As at the balance sheet date the expected future rate of corporation tax was 25%, and as such deferred tax continues to be recognised at 25% in the attached calculations.

6. Ordinary dividends on equity shares to parent company

	66 weeks ended 3 July 2022 £000	52 weeks ended 28 March 2021 £000
Dividends payable on ordinary shares to parent company	1,250	1,000

In the period £1,250k of equity dividends were payable to Furniture Village Holdings Limited for the ordinary shares (52 weeks ended 28 March 2021 – £1,000k). Ordinary dividends are paid solely for the funding of the parent company, Furniture Village Holdings Limited, which holds 100% of the ordinary share capital of Furniture Village Group Limited.

7. Investments

	3 July 2022 £000	28 March 2021 £000
Cost		
Furniture Village Limited	19,454	19,454

Details of the investments in which the Company holds 20% or more of the nominal value of any class of share capital are as follows:

Name of company	Holding	Proportion of voting rights and shares held	Nature of business
Furniture Village Limited	'A' Ordinary shares	100%	Furniture retail
	'B' Ordinary shares	100%	
	Preference shares	100%	
	Redeemable preference shares	100%	
London Bed Company Limited	Ordinary shares	100%	Dormant
The London Furniture Company (Cheisea) Limited	Ordinary shares	100%	Dormant

All the companies listed above have the same registered address, 258 Bath Road, Slough, Berkshire, SL1 4DX.

Notes to the financial statements (continued)

for the 66 weeks ended 3 July 2022

8. Debtors: amounts falling due within one period

	3 July 2022 £000	28 March 2021 £000
Amount owing by subsidiary	19,710	18,238

The intercompany balance owed by Furniture Village Limited is repayable on demand.

9. Creditors: amounts falling due within one period

	3 July 2022 £000	28 March 2021 £000
Amount owed to parent undertaking	35,000	33,750

The intercompany balance owed to Furniture Village Holding Limited is repayable on demand.

10. Issued share capital

	No.	3 July 2022 £000	No.	28 March 2021 £000
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £0.50 each	4,766,359	2,383	4,766,359	2,383

All ordinary shares rank pari passu.

11. Notes to the statement of cash flows

(a) Reconciliation of operating profit to net cash (outflow)/inflow from operating activities:

	66 weeks ended 3 July 2022 £000	52 weeks ended 28 March 2021 £000
Operating profit	-	-
Increase in intercompany debtors	(1,472)	(1,222)
Increase in intercompany creditors	1,250	1,000
Net cash outflow from operating activities	(222)	(222)

(b) Analysis of cash

	28 March 2021 £000	Cash flow £000	3 July 2022 £000
Cash	5	-	5
	5	-	5

Notes to the financial statements (continued)

for the 66 weeks ended 3 July 2022

12. Related party transactions

Key management personnel

All directors who have authority and responsibility for planning, directing and controlling the activities of the Company are considered to be key management personnel.

The Company owns 100% of Furniture Village Limited, 100% of the share capital of the London Bed Company Limited (dormant) and 100% of the share capital of The London Furniture Company (Chelsea) Limited (dormant). The Company has taken advantage of the exemptions in FRS 102: Related party disclosures, from disclosing transactions with related parties that are wholly owned within the Furniture Village Group.

13. Ultimate parent undertaking and controlling party

In the director's opinion, the Company's immediate and ultimate parent undertaking and controlling party is Furniture Village Holdings Limited, registered in England and Wales. Group financial statements are prepared by Furniture Village Holdings Limited and are available from the registered office at 258 Bath Road, Slough SL1 4DX.