

Finisterre UK Limited
Annual Report and Unaudited Financial Statements
Year Ended 31 December 2019

Registration number: 04444480

Finisterre UK Limited

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Finisterre UK Limited

Balance Sheet

31 December 2019

	Note	2019 £	(As restated) 2018 £
Fixed assets			
Intangible assets	<u>4</u>	24,240	24,424
Tangible assets	<u>5</u>	582,977	649,620
		<u>607,217</u>	<u>674,044</u>
Current assets			
Stocks		1,148,453	1,225,887
Debtors	<u>6</u>	671,502	294,402
Cash at bank and in hand		4,093,212	499,916
		<u>5,913,167</u>	<u>2,020,205</u>
Creditors: Amounts falling due within one year	<u>7</u>	<u>(1,392,686)</u>	<u>(1,215,161)</u>
Net current assets		<u>4,520,481</u>	<u>805,044</u>
Total assets less current liabilities		<u>5,127,698</u>	<u>1,479,088</u>
Creditors: Amounts falling due after more than one year	<u>7</u>	<u>(7,701,591)</u>	<u>(2,780,764)</u>
Net liabilities		<u>(2,573,893)</u>	<u>(1,301,676)</u>
Capital and reserves			
Called up share capital	<u>9</u>	5,057,452	5,057,452
Share premium reserve		179,952	179,952
Profit and loss account		<u>(7,811,297)</u>	<u>(6,539,080)</u>
Total equity		<u>(2,573,893)</u>	<u>(1,301,676)</u>

Finisterre UK Limited

Balance Sheet

31 December 2019

For the financial year ending 31 December 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared and delivered in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 17 December 2020 and signed on its behalf by:

.....

T C Kay

Director

Company Registration Number: 04444480

Finisterre UK Limited

Notes to the Financial Statements

Year Ended 31 December 2019

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Unit 6 Wheal Kitty Workshops

St. Agnes

Cornwall

TR5 0RD

The business address is the same as the registered office address although the entity operates shops across various locations in the UK.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Going concern

The directors have prepared the financial statements on a going concern basis, on the understanding that Fitzroy Apparel Limited (the company's immediate parent) will continue to provide financial support if, and when it is required and, accordingly, the financial statements do not include any adjustments that would result if this support were not forthcoming.

Finisterre UK Limited

Notes to the Financial Statements

Year Ended 31 December 2019

Changes in accounting estimate

Depreciation on motor vehicles

To better estimate useful economic life, motor vehicles is now being depreciated over 4 years straight line. Previously this was estimated on a 25% reducing balance basis.

Prior period errors

Turnover was erroneously included for goods ordered which had not been dispatched by the year end.

	Relating to the current period disclosed in these financial statements £	Relating to the prior period disclosed in these financial statements £	Relating to periods before the prior period disclosed in these financial statements £
Turnover	-	(141,884)	-
Debtors	-	(64,805)	-
Creditors	-	77,079	-
Retained earnings	-	(141,884)	-

Financial commitments were overstated as break dates in lease agreements were not factored in when calculating them.

Financial commitments in the previous year have been recalculated to £985,070 and were originally £1,787,882.

Marketing costs were erroneously posted to the director's loan account

	Relating to the current period disclosed in these financial statements £	Relating to the prior period disclosed in these financial statements £	Relating to periods before the prior period disclosed in these financial statements £
Marketing costs	-	6,386	-
Director's loan account	-	(6,386)	-
Retained earnings	-	(6,386)	-

Finisterre UK Limited

Notes to the Financial Statements

Year Ended 31 December 2019

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of value added tax, returns, rebates and discounts and after eliminating sales within the company.

The company recognises revenue when:

- The amount of revenue can be reliably measured;
- it is probable that future economic benefits will flow to the entity;
- and specific criteria have been met for each of the company's activities.

Government grants

Government grants are recognised as income according to the "performance model" when they are receivable and all of the performance conditions imposed by the grant have been met.

Until such time that the performance conditions are met, government grants are recorded as deferred income on the balance sheet, included within creditors: amounts due within or after one year.

Foreign currency transactions and balances

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold property	20% straight line
Motor vehicles	25% straight line
Fixtures, fittings & equipment	20-25% straight line

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Website	3 years

Stocks

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

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Notes to the Financial Statements

Year Ended 31 December 2019

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Financial instruments

Classification

The company holds the following financial instruments:

- Short term trade and other debtors and creditors; and
- Cash and bank balances

All financial instruments are classified as basic.

Recognition and measurement

Such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Derivatives

The company uses derivative financial instruments to reduce exposure to foreign exchange risk. The company does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately. The entity does not use hedge accounting.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 93 (2018 - 80).

Finisterre UK Limited

Notes to the Financial Statements

Year Ended 31 December 2019

4 Intangible assets

	Website £	Trademarks, patents and licenses £	Total £
Cost or valuation			
At 1 January 2019	203,169	7,118	210,287
Additions acquired separately	26,080	-	26,080
At 31 December 2019	229,249	7,118	236,367
Amortisation			
At 1 January 2019	178,745	7,118	185,863
Amortisation charge	26,264	-	26,264
At 31 December 2019	205,009	7,118	212,127
Carrying amount			
At 31 December 2019	24,240	-	24,240
At 31 December 2018	24,424	-	24,424

Finisterre UK Limited

Notes to the Financial Statements

Year Ended 31 December 2019

5 Tangible assets

	Leasehold property improvements £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 January 2019	469,502	600,210	8,289	1,078,001
Additions	33,993	151,855	-	185,848
Disposals	-	(1,074)	-	(1,074)
At 31 December 2019	503,495	750,991	8,289	1,262,775
Depreciation				
At 1 January 2019	176,375	250,279	1,727	428,381
Charge for the year	92,953	157,443	1,312	251,708
Eliminated on disposal	-	(291)	-	(291)
At 31 December 2019	269,328	407,431	3,039	679,798
Carrying amount				
At 31 December 2019	234,167	343,560	5,250	582,977
At 31 December 2018	293,127	349,931	6,562	649,620

6 Debtors

	2019 £	(As restated) 2018 £
Other debtors	560,705	93,877
Prepayments	110,797	200,525
	671,502	294,402

Finisterre UK Limited

Notes to the Financial Statements

Year Ended 31 December 2019

7 Creditors

Creditors: amounts falling due within one year

		2019 £	(As restated) 2018 £
	Note		
Due within one year			
Loans and borrowings	<u>8</u>	143,717	68,333
Trade creditors		250,683	310,340
Social security and other taxes		435,473	251,522
Other creditors		224,495	380,461
Accrued expenses		338,318	201,522
Corporation tax		-	2,983
		<u>1,392,686</u>	<u>1,215,161</u>
Due after one year			
Loans and borrowings	<u>8</u>	<u>7,701,591</u>	<u>2,780,764</u>

8 Loans and borrowings

	2019 £	2018 £
Current loans and borrowings		
Other borrowings	97,051	45,000
HP and finance lease liabilities	<u>46,666</u>	<u>23,333</u>
	<u>143,717</u>	<u>68,333</u>
Non-current loans and borrowings		
HP and finance lease liabilities	33,056	29,166
Other borrowings	711,706	1,224,557
Amount owed to group undertakings	<u>6,956,829</u>	<u>1,527,041</u>
	<u>7,701,591</u>	<u>2,780,764</u>

Security on finance lease liabilities is provided against the assets to which they relate.

Security on £808,757 (2018: £769,557) of other borrowings is provided by fixed and floating charges over the assets of the company.

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Notes to the Financial Statements

Year Ended 31 December 2019

9 Share capital

Allotted, called up and fully paid shares

	No.	2019 £	No.	2018 £
Ordinary shares of £0.10 each	3,793	379.30	3,793	379.30
Ordinary B shares of £1 each	5,057,073	5,057,073	5,057,073	5,057,073
	5,060,866	5,057,452	5,060,866	5,057,452

10 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the balance sheet is £767,509 (2018 - £985,070).

11 Related party transactions

This loan is interest free and repayable on demand.

Advances to directors

	At 1 January 2019 £	Advances to director £	Repayments by director £	At 31 December 2019 £
2019 Director 1	2,791	540	-	3,331

	At 1 January 2018 £	Advances to director £	Repayments by director £	At 31 December 2018 £
2018 Director 1	2,791	-	-	2,791

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Notes to the Financial Statements

Year Ended 31 December 2019

Summary of transactions with parent

Fitzroy Apparel Limited

Loans from related parties

	Parent £	Total £
2019		
At start of period	1,527,041	1,527,041
Advanced	5,657,678	5,657,678
Repaid	(227,890)	(227,890)
At end of period	6,956,829	6,956,829
2018		
At start of period	750,000	750,000
Advanced	2,777,041	2,777,041
Repaid	(2,000,000)	(2,000,000)
At end of period	1,527,041	1,527,041

12 Parent and ultimate parent undertaking

The company's immediate parent is Fitzroy Apparel Limited, incorporated in England and Wales. Fitzroy Apparel Limited is the most senior parent entity producing publicly available financial statements. These financial statements are available upon request from Companies House.

Fitzroy Apparel Limited does not have an ultimate controlling party.

13 Non adjusting events after the financial period

The coronavirus pandemic has impacted businesses globally.

The company's bricks and mortar retail sales after the year-end have been impacted by the lockdown restrictions imposed by the UK government. In response to these external factors the company has shifted focus to its online channel and, as a result, has seen online sales growth that has more than compensated for the drop in retail sales. The company has taken advantage of the grants and other financial schemes that the UK government has introduced to support business during this time.

The parent company, Fitzroy Apparel Limited, has continued to support and invest in the company and therefore, the financial statements have been prepared on the going concern basis accordingly.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.