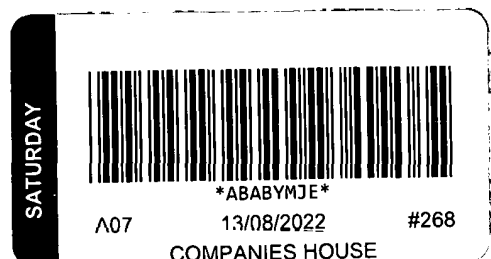

CLUB L (RETAIL) LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 JANUARY 2022



CLUB L (RETAIL) LIMITED

COMPANY INFORMATION

Directors	A K Randev P Randev
Registered number	06109979
Registered office	Parkway 5 Parkway Business Centre Princess Road Manchester Greater Manchester M14 7HR
Accountants	Grant Thornton UK LLP Chartered Accountants Royal Liver Building Liverpool L3 1PS
Bankers	Natwest 267 Castle St Dudley DY1 1LJ

CLUB L (RETAIL) LIMITED

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Report to the directors on the preparation of the unaudited statutory financial statements of Club L (Retail) Limited for the year ended 31 January 2022

We have compiled the accompanying financial statements of Club L (Retail) Limited (the 'company') based on the information you have provided. These financial statements comprise the Statement of Financial Position of Club L (Retail) Limited as at 31 January 2022 and a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), 'Compilation Engagements'.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice). As a member firm of the Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at www.icaew.com.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

This report is made solely to the Company's directors, as a body, in accordance with the terms of our engagement letter dated 10 March 2022. Our work has been undertaken solely to prepare for your approval the financial statements of the company and state those matters that we have agreed to state to the Company's directors, as a body, in this report in accordance with our engagement letter dated 10 March 2022. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and its directors, as a body, for our work or for this report.

Grant Thornton UK LLP

Grant Thornton UK LLP

Chartered Accountants

Liverpool

Date: 27/7/2022

CLUB L (RETAIL) LIMITED
REGISTERED NUMBER:06109979

STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	5	96,238	28,664
Current assets			
Stocks	6	1,911,151	657,376
Debtors: amounts falling due within one year	7	2,229,610	1,108,007
Cash at bank and in hand		2,318,490	1,151,814
		<u>6,459,251</u>	<u>2,917,197</u>
Creditors: amounts falling due within one year	8	(3,732,454)	(2,338,561)
Net current assets		<u>2,726,797</u>	578,636
Total assets less current liabilities		<u>2,823,035</u>	607,300
Provisions for liabilities			
Deferred tax	9	(23,553)	(2,126)
		<u>(23,553)</u>	<u>(2,126)</u>
Net assets		<u>2,799,482</u>	605,174
Capital and reserves			
Called up share capital		1	1
Profit and loss account		2,799,481	605,173
		<u>2,799,482</u>	<u>605,174</u>

CLUB L (RETAIL) LIMITED
REGISTERED NUMBER:06109979

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 JANUARY 2022

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit 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 Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Puja (Katie) Randev

P Randev
Director

Date: 18/7/2022

The notes on pages 4 to 12 form part of these financial statements.

CLUB L (RETAIL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022**

1. General information

Club L (Retail) Limited is a private company limited by shares and registered in England and Wales. The registered number is 06109979 and registered address is Parkway 5, Parkway Business Centre, Princess Road, Manchester M14 7HR.

2. Accounting policies**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Foreign currency translation**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.3 Revenue

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

Sale of goods

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

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

CLUB L (RETAIL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022**

2. Accounting policies (continued)

2.4 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in profit or loss in the same period as the related expenditure.

2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.6 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

CLUB L (RETAIL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022**

2. Accounting policies (continued)**2.8 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Short-term leasehold property	-	10% straight line
Motor vehicles	-	33% straight line
Fixtures and fittings	-	20% reducing balance
Office equipment	-	33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

CLUB L (RETAIL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022**

2. Accounting policies (continued)**2.10 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit or loss.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

CLUB L (RETAIL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022**

2. Accounting policies (continued)**2.14 Financial instruments (continued)**

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Employees

The average monthly number of employees, including directors, during the year was 41 (2021 - 30).

4. Directors' remuneration

	2022	<i>2021</i>
	£	£
Directors' emoluments	43,031	<i>39,871</i>
Company contributions to defined contribution pension schemes	917	<i>386</i>
	43,948	<i>40,257</i>

CLUB L (RETAIL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

5. Tangible fixed assets

	Short-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost					
At 1 February 2021	1,242	12,737	51,961	13,826	79,766
Additions	-	-	33,120	56,429	89,549
Disposals	(1,242)	-	(34,163)	-	(35,405)
At 31 January 2022	-	12,737	50,918	70,255	133,910
Depreciation					
At 1 February 2021	1,242	12,737	34,163	2,960	51,102
Charge for the year on owned assets	-	-	9,751	12,224	21,975
Disposals	(1,242)	-	(34,163)	-	(35,405)
At 31 January 2022	-	12,737	9,751	15,184	37,672
Net book value					
At 31 January 2022	-	-	41,167	55,071	96,238
At 31 January 2021	-	-	17,798	10,866	28,664

6. Stocks

	2022 £	2021 £
Finished goods and goods for resale	1,911,151	657,376

CLUB L (RETAIL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022**

7. Debtors

	2022	2021
	£	£
Trade debtors	167,201	962,858
Amounts owed by group undertakings	901,680	-
Amounts owed by related undertakings	506,520	67,435
Other debtors	606,688	19,949
Prepayments and accrued income	47,521	57,765
	2,229,610	1,108,007

8. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Trade creditors	925,021	509,579
Amounts owed to group undertakings	-	602,739
Amounts owed to related undertakings	418,641	36,631
Corporation tax	517,965	500,725
Other taxation and social security	381,403	472,411
Other creditors	92,975	109,868
Accruals and deferred income	1,396,449	106,608
	3,732,454	2,338,561

CLUB L (RETAIL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022**

9. Deferred taxation

	2022 £	2021 £
At beginning of year	(2,126)	(3,910)
Charged to profit or loss	(21,427)	1,784
At end of year	<u>(23,553)</u>	<u>(2,126)</u>

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	(23,553)	(2,126)
	<u>(23,553)</u>	<u>(2,126)</u>

10. Pension commitments

The company operates a defined contribution scheme, the assets of which are held in independently administered funds.

Pension costs for the year in respect of the defined contribution scheme were £13,525 (2021: £6,910). Outstanding at 31 January 2022 was £5,391 (2021: £6,172) which is included in other creditors.

11. Related party transactions

The company has taken advantage of the exemption conferred by Section 1A of FRS 102 not to disclose transactions with its parent undertaking, Cuba Holdings Limited.

Included within amounts due from related parties is £454,511 (2021: £37,874) due from Club L Los Angeles LLC. Club L Los Angeles LLC is related through common control. During the year management fees of £79,533 (2021: £Nil) were received from this entity.

Included within amounts due from related parties is £44,272 (2021: £Nil) due from Club L London Holdings Limited. Club L London Holdings Limited is related through common control.

Included within amounts due to related parties is £418,641 (2021: £29,561 due from) Solid Fulfilment Limited. Solid Fulfilment Limited is related through common directorship.

Included within amounts due from related parties is £7,737 (2021: £Nil) due from Inspired, The Agency Limited. Inspired, The Agency Limited is related through common control and directorship.

CLUB L (RETAIL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022**

12. Controlling party

The immediate and ultimate parent undertaking is Cuba Holdings Limited, a company registered in England and Wales.