
LE COL LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE PERIOD ENDED 26 DECEMBER 2021

LE COL LIMITED
REGISTERED NUMBER:06767427

BALANCE SHEET
AS AT 26 DECEMBER 2021

	Note	26 December 2021 £	27 December 2020 £
Fixed assets			
Intangible assets	5	430,926	-
Tangible assets	6	103,948	60,246
		<u>534,874</u>	<u>60,246</u>
Current assets			
Stocks	7	3,093,757	1,384,615
Debtors: amounts falling due within one year	8	1,168,490	1,224,224
Cash at bank and in hand		362,894	647,203
		<u>4,625,141</u>	<u>3,256,042</u>
Creditors: amounts falling due within one year	9	(9,886,748)	(7,026,297)
Net current liabilities		(5,261,607)	(3,770,255)
Creditors: amounts falling due after more than one year	10	(33,835)	(44,676)
Net liabilities		<u>(4,760,568)</u>	<u>(3,754,685)</u>
Capital and reserves			
Called up share capital		159	159
Share premium account	12	61,883	61,883
Retained earnings	12	(4,822,610)	(3,816,727)
Shareholders' deficit		<u>(4,760,568)</u>	<u>(3,754,685)</u>

LE COL LIMITED
REGISTERED NUMBER:06767427

BALANCE SHEET (CONTINUED)
AS AT 26 DECEMBER 2021

The financial statements have been prepared and delivered 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 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:

Y Barker
Director

Date: 18 April 2023

The notes on pages 4 to 14 form part of these financial statements.

LE COL LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 26 DECEMBER 2021

	Called up share capital £	Share premium account £	Retained earnings £	Total equity £
At 30 December 2019	159	61,883	(3,731,273)	(3,669,231)
Comprehensive income for the year				
Loss for the year	-	-	(162,535)	(162,535)
Contributions by and distributions to owners				
Share-based payment	-	-	77,081	77,081
At 27 December 2020	159	61,883	(3,816,727)	(3,754,685)
Comprehensive income for the period				
Loss for the period	-	-	(1,066,108)	(1,066,108)
Contributions by and distributions to owners				
Share-based payment	-	-	60,225	60,225
At 26 December 2021	<u>159</u>	<u>61,883</u>	<u>(4,822,610)</u>	<u>(4,760,568)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 26 DECEMBER 2021

1. General information

Le Col Limited is a private company, limited by shares, domiciled and incorporated in England and Wales (registered number: 06767427). The registered office address is The Old Treacle Factory, 24-40 Goodwin Road, London, W12 9JW.

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 Going concern

The directors have prepared and considered detailed trading and cashflow projections for a period of at least 12 months from the date of approval of these financial statements.

The directors maintain a balance between tight cost controls to conserve cash and judicious investment decisions for the long term benefit of the business. A rolling weekly cashflow model is updated each week to review cash inflows and outflows over the short term, and a detailed budget-setting process is used to build a longer term integrated financial model to review cashflow over a 3 year horizon.

As with any business placing reliance on future forecasts, the directors acknowledge that there can be no certainty that budgeted sales will be achieved given general economic uncertainties affecting consumer spend. The Company has a flexible distribution model and sells globally, which limits the Company's exposure to an individual sales channel or country.

A balance is owed to the parent entity Le Col Holdings Ltd of £5,746,890. In assessing the going concern of the Company, the directors have received a written letter confirming that these balances will not be recalled in the foreseeable future, being a period of at least twelve months from the date of approval of these financial statements.

This support leaves the Company well placed to manage business risks and ensure the Company has adequate resources to continue operational existence, including plausible downside scenarios against future plans. The directors have therefore concluded that it remains appropriate to continue to prepare the financial statements on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 26 DECEMBER 2021

2. Accounting policies (continued)

2.3 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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

All foreign exchange gains and losses are presented in profit or loss within 'administrative expenses'.

2.4 Turnover

Turnover represents amounts receivable for goods and services net of value added taxes, discounts and a provision for returns. The company's returns provision is estimated by management based on assumptions including the sales return policy and the historic rate of returns. Turnover is recognised when goods are shipped from the company's premises and title has passed.

The following criteria must also be met before turnover is recognised:

- the significant risks and reward of ownership have been transferred to the buyer;
- the amount of turnover, and the costs associated with the transaction, can be measured reliably; and
- it is probable that future economic benefits will flow to the Company.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 26 DECEMBER 2021

2. Accounting policies (continued)

2.7 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.8 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, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	-	25%
Computer equipment	-	25%

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.

2.9 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 balance sheet 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 26 DECEMBER 2021

2. Accounting policies (continued)

2.10 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 Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.11 Financial instruments

Financial assets and financial liabilities are recognised in the Balance Sheet when the Company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured on initial recognition at transaction price. A provision is established when there is objective evidence that the Company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank.

Financial liabilities and equity instruments issued by the Company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 26 DECEMBER 2021

2. Accounting policies (continued)

2.12 Share-based payments

The Company participates in a share option programme through its parent company, Le Col Holdings Limited. The share option programme allows group employees to acquire shares of the parent company. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity.

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

2.13 Taxation

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 balance sheet date in the countries where the Company operates and generates income.

3. Employees

The average monthly number of employees, including directors, during the period was 45 (2020 - 28).

4. Factors affecting future tax

The Company had losses carried forward of £3,712,799 (27 December 2020 - £3,317,307).

Finance Act 2021 includes legislation to increase the main rate of corporation tax from 19% to 25% from 1 April 2023. No deferred tax asset is recognised on the basis that the utilisation of the losses carried forward is not considered to be sufficiently probable.

LE COL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 26 DECEMBER 2021

5. Intangible assets

	Software development £
Cost	
At 28 December 2020	-
Additions	462,669
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At 26 December 2021	462,669
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Amortisation	
At 28 December 2020	-
Charge for the period	31,743
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At 26 December 2021	31,743
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Net book value	
At 26 December 2021	430,926
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<i>At 27 December 2020</i>	-
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LE COL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 26 DECEMBER 2021

6. Tangible fixed assets

	Fixtures and fittings £
Cost	
At 28 December 2020	84,287
Additions	75,187
At 26 December 2021	159,474
Depreciation	
At 28 December 2020	24,041
Charge for the period	31,485
At 26 December 2021	55,526
Net book value	
At 26 December 2021	103,948
<i>At 27 December 2020</i>	<i>60,246</i>

7. Stocks

	26 December 2021 £	27 December 2020 £
Finished goods and goods for resale	3,093,757	1,384,615

The carrying value of stocks are stated net of impairment losses totalling £5,800 (2020 - £162,564). Impairment losses totalling £Nil (2020 - £162,564) were recognised in profit and loss.

LE COL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 26 DECEMBER 2021

8. Debtors

	26 December 2021 £	27 December 2020 £
Trade debtors	382,927	223,950
Other debtors	124,613	104,451
Prepayments and accrued income	466,662	895,823
Tax recoverable	194,288	-
	<u>1,168,490</u>	<u>1,224,224</u>

9. Creditors: Amounts falling due within one year

	26 December 2021 £	27 December 2020 £
Other loans	849,407	5,324
Trade creditors	991,942	1,319,544
Amounts owed to group undertakings	6,473,934	4,006,228
Other taxation and social security	620,242	712,145
Other creditors	211,745	41,778
Accruals and deferred income	739,478	941,278
	<u>9,886,748</u>	<u>7,026,297</u>

10. Creditors: Amounts falling due after more than one year

	26 December 2021 £	27 December 2020 £
Other loans	<u>33,835</u>	<u>44,676</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 26 DECEMBER 2021**

11. Loans

Analysis of the maturity of loans is given below:

	26 December 2021 £	<i>27 December 2020 £</i>
Amounts falling due within one year		
Other loans	849,407	5,324
Amounts falling due 1-2 years		
Other loans	10,648	44,676
Amounts falling due 2-5 years		
Other loans	23,187	-
	<u>883,242</u>	<u>50,000</u>

Other loans consist of a £1,860,901 unsecured loan facility agreed during the year which are repayable within 12 months of issue. Arrangement fees of £120,000 were incurred on the loan. The fees have been capitalised against the liability and amortised over the term of the loan. The effective interest rate is 12.6%. The amount outstanding at year end is £836,836 capital and £1,922 of accrued interest. A further £1,000,000 advance was drawn down after the year end.

Also, included is an unsecured loan for £50,000 which was taken out on 21 May 2020 and will be repaid in full by May 2026. The prevailing rate of interest is 2.5% (2020 - 2.5%) and the amount outstanding at year end is £44,483 (2020 - £44,676), with £33,835 due greater than one year.

12. Reserves**Share premium account**

The share premium account is used to record the aggregate amount or value of premiums paid when the Company's shares are issued at an amount in excess of nominal value.

Retained earnings

This reserve relates to the cumulative retained earnings less amounts distributed to shareholders.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 26 DECEMBER 2021

13. Share options

Certain employees participate in share option schemes through the parent company, Le Col Holdings Limited.

EMI Option scheme 1

The options are granted with an exercise price of £0.009893 and are exercisable up until 15 December 2027. These options vested immediately.

EMI Option scheme 2

The options are granted with an exercise price of £0.001 and are exercisable until 15 December 2027. The options vest in quarterly increments between 31 March 2018 and 31 December 2021.

EMI Option scheme 3

The options are granted with an exercise price of £0.1790 and are exercisable until 3 December 2030. The options vest subject to several conditions over the lifespan of the agreements.

The Company is unable to directly measure the fair value of employee services received. Instead the fair value of the share options granted during the year is derived using the Black-Scholes model.

At the period end, an amount of £751,643 (2020 - £691,419) is included in retained earnings in respect of share options where the benefit is received in Le Col Limited.

14. Prior year adjustment

In accordance with its accounting policy, the Company has reduced its turnover by deducting discounts, namely customer loyalty awards offered through the online sales channel. The impact of this adjustment is to reduce the prior period revenue by £4,929,163 and reduce prior period administrative expenses by £4,929,163 with £Nil impact on the prior year profit and £Nil impact on prior year net assets and Balance Sheet.

15. Related party transactions

The Company has taken advantage of the exemption in FRS 102 Section 33.1A to not disclose transactions with wholly owned group entities.

A director and other management personnel received £15,074 benefit (2020 - £51,334) from share-based compensation.

16. Controlling party

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

The largest and smallest group of undertakings for which group accounts for the period ended 26 December 2021 have been drawn up, is that headed by Le Col Holdings Limited. The registered office address of Le Col Holdings Limited is The Old Treacle Factory, Goodwin Road, London, W12 9JW. Copies of the group accounts are available from Companies House.

The directors do not consider there to be an ultimate controlling party.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 26 DECEMBER 2021

17. Auditor's information

The auditor's report on the financial statements for the period ended 26 December 2021 was qualified.

The qualification in the audit report was as follows:

We were not appointed as auditor of the Company until after 29 December 2019 and thus did not observe the counting of physical inventories at the end of that year. We were unable to satisfy ourselves by alternative means concerning the inventory quantities of £1,384,615 held at 29 December 2019 by using other audit procedures. Consequently, we were unable to determine whether there were any consequential effect on cost of sales for the period ended 27 December 2020.

Arising solely from the limitation on the scope of our work relating to inventory, referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

The audit report was signed on 18 April 2023 by Peter Key (Senior Statutory Auditor) on behalf of CLA Evelyn Partners Limited.

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.