

**Strategic Report, Report of the Directors and
Financial Statements
for the Year Ended 31 January 2023
for
80's Casual Classics Ltd**

**Contents of the Financial Statements
for the Year Ended 31 January 2023**

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**Company Information
for the Year Ended 31 January 2023**

DIRECTORS:

N Primett
Miss C Elliott
J Hunt
J Primett

REGISTERED OFFICE:

2 Triumph Way
Kempston
Bedford
Bedfordshire
MK427QB

REGISTERED NUMBER:

06922118 (England and Wales)

AUDITORS:

GREGORY WILDMAN
Statutory Auditors
Chartered Accountants
The Granary
Crowhill Farm
Ravensden Road
Wilden, Bedford
MK44 2QS

**Strategic Report
for the Year Ended 31 January 2023**

The directors present their strategic report for the year ended 31 January 2023.

REVIEW OF BUSINESS

As shown in the company's profit and loss account, there has been an decrease in turnover over the prior 12 month period which has resulted in a gross profit of £6,266,220 (2022 - £6,719,434) and a profit on ordinary activities before tax of £3,389,806 (2022 - £4,094,037).

This year has seen the company maintaining its customer loyalty by further developing exclusivity across many brands making the 80s Casual Classics shopping experience a unique online shopping destination. This along with increased engagement through social media will ensure the continued profitability of the business through tougher trading conditions in respect of the potential economic downturn.

PRINCIPAL RISKS AND UNCERTAINTIES

Any business undertaking will involve some risk with many factors common to any business regardless of what sector it operates in. However, the Directors consider that certain risks and uncertainties are more specific to the Company and the fashion retail sector in which it operates. These risks and uncertainties include the following:

- Ability to access, and the dependance on, key brands;
- The location and influence of competitors both in physical retail and online digital platforms;
- Delays in product delivery due to supplier sourcing and delivery issues;
- General economic factors; and
- Seasonal weather variations.

The Directors continue to endeavour to manage these risks and uncertainties to the extent possible within the business.

ON BEHALF OF THE BOARD:

N Primett - Director

5 January 2024

**Report of the Directors
for the Year Ended 31 January 2023**

The directors present their report with the financial statements of the company for the year ended 31 January 2023.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of online and store retailer of retro and original clothing.

DIVIDENDS

No dividends will be distributed for the year ended 31 January 2023.

FUTURE DEVELOPMENTS

The Company's focus this year will be on expanding their on-line business into Europe along with higher profile marketing and building stronger relationships with suppliers.

DIRECTORS

N Primett has held office during the whole of the period from 1 February 2022 to the date of this report.

Other changes in directors holding office are as follows:

P A Cowgill - resigned 11 October 2022

R Schultz - appointed 11 October 2022

Miss C Elliott, J Hunt and J Primett were appointed as directors after 31 January 2023 but prior to the date of this report.

N J Greenhalgh and R Schultz ceased to be directors after 31 January 2023 but prior to the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 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 accounting estimates that are reasonable and prudent;
- 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, GREGORY WILDMAN, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

N Primett - Director

5 January 2024

Report of the Independent Auditors to the Members of 80's Casual Classics Ltd

Opinion

We have audited the financial statements of 80's Casual Classics Ltd (the 'company') for the year ended 31 January 2023 which comprise the Income Statement, Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us;
or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Report of the Independent Auditors to the Members of 80's Casual Classics Ltd

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the company operates focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations in this context were the Companies Act 2006. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statements.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the company for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Anti-fraud, bribery and corruption legislation, Environmental protection legislation, Health and safety legislation, Taxation legislation and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements and the financial report (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate entries including journals to overstate revenue or understate expenditure and management bias in accounting estimates.

Our audit procedures to respond to these risks, performed by the engagement team, included:

- Enquiries of management, and the Directors about their own identification and assessment of the risks of the irregularities, reviewing accounting estimates for biases and reviewing regulatory correspondence;
- Performing audit work over the risk of management override of controls, including test of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing financial statement disclosures and testing to supporting documentation to access compliance with applicable laws and regulations;
- We have confirmed the income recognition basis is appropriate, tested a sample of income transactions to confirm completeness, tested a sample of journals to confirm they were appropriate and reviewed areas of judgment for indicators of management bias to address these risks.

Owing to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation, even though we have properly planned and performed our audit in accordance with auditing standards. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**Report of the Independent Auditors to the Members of
80's Casual Classics Ltd**

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Nicola Worbey ACA (Senior Statutory Auditor)
for and on behalf of GREGORY WILDMAN
Statutory Auditors
Chartered Accountants
The Granary
Crowhill Farm
Ravensden Road
Wilden, Bedford
MK44 2QS

5 January 2024

**Income Statement
for the Year Ended 31 January 2023**

	Notes	31.1.23 £	£	31.1.22 £	£
TURNOVER	3		13,386,021		13,676,567
Cost of sales			<u>7,119,801</u>		<u>6,957,133</u>
GROSS PROFIT			6,266,220		6,719,434
Distribution costs		1,501,474		1,315,168	
Administrative expenses		<u>2,281,477</u>		<u>2,186,937</u>	
			<u>3,782,951</u>		<u>3,502,105</u>
			2,483,269		3,217,329
Other operating income	4		<u>878,786</u>		<u>879,308</u>
OPERATING PROFIT	6		3,362,055		4,096,637
Interest receivable and similar income	7		<u>27,768</u>		<u>479</u>
			3,389,823		4,097,116
Interest payable and similar expenses	8		<u>17</u>		<u>3,079</u>
PROFIT BEFORE TAXATION			3,389,806		4,094,037
Tax on profit	9		<u>661,938</u>		<u>782,789</u>
PROFIT FOR THE FINANCIAL YEAR			<u>2,727,868</u>		<u>3,311,248</u>

The notes form part of these financial statements

**Other Comprehensive Income
for the Year Ended 31 January 2023**

	31.1.23	31.1.22
Notes	£	£
PROFIT FOR THE YEAR	2,727,868	3,311,248
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>2,727,868</u>	<u>3,311,248</u>

Statement of Financial Position
31 January 2023

	Notes	31.1.23 £	£	31.1.22 £	£
FIXED ASSETS					
Tangible assets	10		130,820		167,543
Investments	11		<u>1</u>		<u>1</u>
			130,821		167,544
CURRENT ASSETS					
Stocks	12	3,001,222		2,178,502	
Debtors	13	51,768		187,151	
Cash at bank and in hand		<u>12,388,211</u>		<u>10,284,299</u>	
		15,441,201		12,649,952	
CREDITORS					
Amounts falling due within one year	14	<u>1,142,153</u>		<u>1,119,338</u>	
NET CURRENT ASSETS			14,299,048		11,530,614
TOTAL ASSETS LESS CURRENT LIABILITIES			14,429,869		11,698,158
PROVISIONS FOR LIABILITIES	16		<u>110,256</u>		<u>106,413</u>
NET ASSETS			<u>14,319,613</u>		<u>11,591,745</u>
CAPITAL AND RESERVES					
Called up share capital	17		22		22
Retained earnings			<u>14,319,591</u>		<u>11,591,723</u>
SHAREHOLDERS' FUNDS			<u>14,319,613</u>		<u>11,591,745</u>

The financial statements were approved by the Board of Directors and authorised for issue on 5 January 2024 and were signed on its behalf by:

N Primett - Director

**Statement of Changes in Equity
for the Year Ended 31 January 2023**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 February 2021	22	8,280,475	8,280,497
Changes in equity			
Total comprehensive income	-	3,311,248	3,311,248
Balance at 31 January 2022	22	11,591,723	11,591,745
Changes in equity			
Total comprehensive income	-	2,727,868	2,727,868
Balance at 31 January 2023	22	14,319,591	14,319,613

**Notes to the Financial Statements
for the Year Ended 31 January 2023**

1. STATUTORY INFORMATION

80's Casual Classics Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of disclosures in respect of the compensation of Key Management Personnel;
- the requirements of disclosures in respect of financial instruments.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Turnover

Turnover is measured at 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 the significant risks and rewards of ownership of the goods have passed to the buyer, usually on receipt of goods, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Tangible fixed assets

Tangible fixed assets are included at cost less depreciation and impairment. Depreciation has been computed to write off the cost of tangible fixed assets over their expected useful lives as follows:

Capitalised dilapidations - straight line over the life of the lease

Plant & machinery - 20% reducing balance

Fixtures & fittings - 20% reducing balance

Computer equipment - 25% reducing balance

Investments in subsidiaries

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

**Notes to the Financial Statements - continued
for the Year Ended 31 January 2023**

2. ACCOUNTING POLICIES - continued**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

The company operated a defined contribution pension scheme for the benefits of its employees. The pension cost charged for the period represents contributions payable by the company to the scheme and amounts to £57,239 (2022 - £46,623).

At the balance sheet date the company had unpaid pension liabilities of £43,127 (2022 - £2,636).

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less. For the purpose of the cash flow, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

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 the impairment are recognised in the income statement in other operating expenses rest method.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	31.1.23 £	31.1.22 £
United Kingdom	12,351,201	12,523,523
Europe	597,245	736,910
Other	437,575	416,134
	<u>13,386,021</u>	<u>13,676,567</u>

4. OTHER OPERATING INCOME

	31.1.23 £	31.1.22 £
Postage	878,786	856,509
Government grant income	-	22,799
	<u>878,786</u>	<u>879,308</u>

Notes to the Financial Statements - continued
for the Year Ended 31 January 2023

5. EMPLOYEES AND DIRECTORS

	31.1.23	31.1.22
	£	£
Wages and salaries	1,132,561	969,760
Social security costs	91,204	72,851
Other pension costs	57,239	46,623
	<u>1,281,004</u>	<u>1,089,234</u>

The average number of employees during the year was as follows:

	31.1.23	31.1.22
Warehouse staff	15	19
Office staff	11	9
Management staff	8	8
Store staff	4	4
	<u>38</u>	<u>40</u>

During the year, £43,288 was paid to the director's pension scheme.

	31.1.23	31.1.22
	£	£
Directors' remuneration	<u>130,000</u>	<u>120,042</u>

Messrs Cowgill and Greenhalgh received no remuneration from the Company, these fees being borne by the Parent Company. The amounts disclosed above relate to the highest paid director.

6. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	31.1.23	31.1.22
	£	£
Other operating leases	133,096	126,233
Depreciation - owned assets	43,281	34,504
Profit on disposal of fixed assets	(215)	-
Auditors' remuneration	<u>5,800</u>	<u>6,600</u>

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	31.1.23	31.1.22
	£	£
Deposit account interest	<u>27,768</u>	<u>479</u>

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.1.23	31.1.22
	£	£
HMRC late payment interest	17	46
Penalties	-	150
Corporation tax interest	-	2,883
	<u>17</u>	<u>3,079</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 January 2023**

9. TAXATION**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	31.1.23 £	31.1.22 £
Current tax:		
UK corporation tax	658,095	769,851
Deferred tax	3,843	12,938
Tax on profit	<u>661,938</u>	<u>782,789</u>

UK corporation tax was charged at 19% in 2022.

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.1.23 £	31.1.22 £
Profit before tax	<u>3,389,806</u>	<u>4,094,037</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2022 - 19%)	644,063	777,867
Effects of:		
Expenses not deductible for tax purposes	7,697	1,200
Depreciation in excess of capital allowances	3,416	3,722
Change in tax rates	6,762	-
Total tax charge	<u>661,938</u>	<u>782,789</u>

10. TANGIBLE FIXED ASSETS

	Capitalised dilapidation's £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 February 2022	85,000	11,241	127,995	31,109	255,345
Additions	-	312	1,433	8,011	9,756
Disposals	-	-	-	(3,413)	(3,413)
At 31 January 2023	<u>85,000</u>	<u>11,553</u>	<u>129,428</u>	<u>35,707</u>	<u>261,688</u>
DEPRECIATION					
At 1 February 2022	19,587	2,374	45,947	19,894	87,802
Charge for year	21,672	1,837	16,638	3,134	43,281
Eliminated on disposal	-	-	-	(215)	(215)
At 31 January 2023	<u>41,259</u>	<u>4,211</u>	<u>62,585</u>	<u>22,813</u>	<u>130,868</u>
NET BOOK VALUE					
At 31 January 2023	<u>43,741</u>	<u>7,342</u>	<u>66,843</u>	<u>12,894</u>	<u>130,820</u>
At 31 January 2022	<u>65,413</u>	<u>8,867</u>	<u>82,048</u>	<u>11,215</u>	<u>167,543</u>

Notes to the Financial Statements - continued
for the Year Ended 31 January 2023

11. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 February 2022 and 31 January 2023	<u>1</u>
NET BOOK VALUE	
At 31 January 2023	<u>1</u>
At 31 January 2022	<u>1</u>

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Modern Casuals Ltd

Registered office: 2 Triumph Way, Kempston, Bedford, MK42 7QB

Nature of business: Dormant company

	% holding		
Class of shares:	100.00		
Ordinary		31.1.23	31.1.22
		£	£
Aggregate capital and reserves		<u>1</u>	<u>1</u>
12. STOCKS		31.1.23	31.1.22
		£	£
Stocks		<u>3,001,222</u>	<u>2,178,502</u>
13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		31.1.23	31.1.22
		£	£
Trade debtors		8,851	165,009
Other debtors		20,797	13,056
Prepayments		<u>22,120</u>	<u>9,086</u>
		<u>51,768</u>	<u>187,151</u>
14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		31.1.23	31.1.22
		£	£
Trade creditors		304,799	369,389
Tax		122,656	145,690
Social security and other taxes		27,107	22,676
VAT		457,745	472,534
Other creditors		116,892	31,989
Pension liability		3,127	2,866
Accrued expenses		<u>109,827</u>	<u>74,194</u>
		<u>1,142,153</u>	<u>1,119,338</u>

Notes to the Financial Statements - continued
for the Year Ended 31 January 2023

15. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.1.23	31.1.22
	£	£
Within one year	125,488	122,567
Between one and five years	<u>270,917</u>	<u>267,400</u>
	<u>396,405</u>	<u>389,967</u>

Operating leases recognised in the profit and loss account during the year as an expense was £134,719 (2022 - £127,976).

16. PROVISIONS FOR LIABILITIES

	31.1.23	31.1.22
	£	£
Deferred tax	25,256	21,413
Lease Dilapidation's	<u>85,000</u>	<u>85,000</u>
	<u>110,256</u>	<u>106,413</u>
		Deferred tax
		£
Balance at 1 February 2022		21,413
Change in tax rate		6,762
Accelerated capital allowances		<u>(2,919)</u>
Balance at 31 January 2023		<u>25,256</u>

The net reversal of expected deferred tax liabilities expected to occur in the next 12 months is £4,298.

At the balance sheet date the company had a £25,256 deferred tax liability (2022 - £21,413) relating to accelerated capital allowances.

Factors that may affect future tax charges

An increase in the future main corporation tax rate to 25% from 1 April 2023, from the previously enacted 19% was announced in the budget on 3 March 2021, and substantively enacted on 24 May 2021. The deferred tax balance at the year end has been calculated based on the rate at which the provision is expected to unwind.

**Notes to the Financial Statements - continued
for the Year Ended 31 January 2023**

17. CALLED UP SHARE CAPITAL

	31.1.23 No.	£	31.1.22 No.	£
"A" Ordinary shares of 1p each	1,540	15.40	1,540	15.40
"B" Ordinary shares of 1p each	660	6.60	660	6.60
	<u>2,200</u>	<u>22</u>	<u>22</u>	<u>22</u>

In the prior year, the company redesignated the "A" and "B" shares from £1 to 1p.

The A ordinary shares have attached to them full voting rights. The holders of the A ordinary shares shall be entitled, in priority to any payment by way of dividend to the holders of any other class of share, to receive preferred dividends in an aggregate amount equal to the surplus net cash (preference dividend). Save for the preference dividend, any dividends declared shall be paid *pari passu* on the A ordinary shares and the B ordinary shares as if they were the same class. On a return of capital (including on winding up) the assets of the company available for distribution to its members shall be distributed: (a) first in paying to the A ordinary share an amount equal to the surplus net cash, to the extent not previously distributed by way of dividends, (b) second in paying to each member, an amount equal to the issue price of each share held; and (c) thereafter in distributing any surplus assets amongst the A ordinary shares and the B ordinary shares as if they constituted one class and *pro rata* to the number of shares held. The A ordinary shares do not confer any rights of redemption.

The B ordinary shares have attached to them full voting rights. Save for the preference dividend (which shall only be paid on the A ordinary shares), any dividend declared shall be paid *pari passu* on the A ordinary shares and the B ordinary shares as if they were the same class. On a return of capital (including on winding up), the assets of the company available for distribution to its members shall be distributed: (a) first in paying to the A ordinary share an amount equal to the surplus net cash, to the extent not previously distributed by way of dividend; (b) second in paying to each member, an amount equal to the issue price of each share held; and (c) thereafter in distributing any surplus assets amongst the A ordinary shares and the B ordinary shares as if they constituted one class and *pro rata* to the number of shares held. The B ordinary shares do not confer any rights of redemption.

18. ULTIMATE PARENT COMPANY

In the year the Company is a 70% owned subsidiary undertaking of JD Sports Fashion Plc, which is the smallest group in which the Company is a member and for which Group Financial Statements are drawn up. JD Sports Fashion Plc is registered in England. Copies of the consolidated financial statements of JD Sports Fashion Plc are available to the public and can be obtained from the Company Secretary, Edinburgh House, Hollinsbrook Way, Pilsworth, Bury, BL9 8RR or at www.jdplc.com.

19. CONTINGENT LIABILITIES

It is inevitable that commercial claims and disputes may arise from time to time during the course of the Company's business. If the risk of a financial outflow arising from one of these disputes is more than remote but not probable or cannot be measured reliably then the Company will disclose this matter as a contingent liability. If the risk of a financial outflow is considered probable and can be measured reliably then the Company would make provision for this matter.

Further, the activities of the Company are overseen by a number of regulators and, whilst the Company strives to ensure full compliance with all its regulatory obligations, periodic reviews are inevitable which may result in a financial penalty. If the risk of a financial penalty arising from one of these reviews is more than remote but not probable or cannot be measured reliably then the Company will disclose this matter as a contingent liability. If the risk of a financial penalty is considered probable and can be measured reliably then the Company would make a provision for this matter.

**Notes to the Financial Statements - continued
for the Year Ended 31 January 2023**

20. RELATED PARTY DISCLOSURES

In the prior financial year on 2 March 2021, JD Sports Fashion PLC acquired 70% of the share capital of the Company.

In the year the company made purchases of £630,628 from Focus International Ltd, another group company. (2022 - £555,216 02/03/2021- 31/01/2022)

The balance payable at the year end was £14,050 (2022 balance receivable was £32,167). These balances are unsecured and have credit terms of 30 days.

In the period up to 16/12/2022, the company made purchases of £176,491 from PG2019 Limited, another group company. (2022 - £120,538 02/03/2021- 31/01/2022)

The Company was removed from the group as at 16/12/2022.

Pentland Group Holdings Limited owns 51.9% of the ordinary share capital of JD Sports Fashion plc

In the year the company made purchases of £234,776 from companies owned by Pentland Group Holdings Limited (2022 - £157,544 - 02/03/2021 - 31/01/2022) . The balance payable to these entities at the year end was £22,656 (balance payable at 31/01/2022 was £NIL). These balances are unsecured and on normal market credit terms.

21. ULTIMATE CONTROLLING PARTY

The ultimate parent undertaking is Pentland Group Holdings Limited (a company registered in Jersey). R S Rubin and his close family are considered the ultimate controlling party by virtue of their control of Pentland Group Holdings Limited. Consolidated financial statements will be prepared by Pentland Group Holdings Limited, which is the parent undertaking of the largest group of undertakings to consolidate these financial statements for the year ended 31 December 2022. The consolidated financial statements of Pentland Group Holdings Limited can be obtained from the company's registered office at 26 New Street, St Helier, Jersey, JE2 3RA.

22. SUBSEQUENT EVENTS

Since the year end, the Director Neil Primett became sole owner after purchasing the shares back from JD Sports Fashion plc on 26 May 2023.

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.