

Strategic Report,
Report of the Directors and
Financial Statements
for the period
1 February 2020 to 30 June 2021
for
FLYERS CNV LIMITED

Contents of the Financial Statements
for the period 1 February 2020 to 30 June 2021

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FLYERS CNV LIMITED

Company Information
for the period 1 February 2020 to 30 June 2021

Directors:	A T Jalil M Guinchard
Registered office:	Unit 1 Windsor Industrial Estate 424 Ware Road Hertford Hertfordshire SG13 7EW
Registered number:	07364792 (England and Wales)
Auditors:	Haines Watts Birmingham LLP 5-6 Greenfield Crescent Edgbaston Birmingham B15 3BE
Bankers:	Barclays Bank 2 Churchill Place Canary Wharf London E14 5RB

Strategic Report
for the period 1 February 2020 to 30 June 2021

The directors present their strategic report for the extended period ended 30 June 2021.

The company extended its accounting period to 30 June having previously reported annually to 31 January. These financial statements therefore present information for a 17 month period to 30 June 2021 with the comparative information being for the year ended 31 January 2020.

Principal activity

The principal activity of the company continued to be that of importers and distributors of children's clothing garments and trading with retail outlets.

Review of business

We aim to present a balanced and comprehensive review of the strategic development and performance of our business during the year and its position at the year end. Our review is consistent with the size and complex nature of our business.

The decision was made in 2017 to exit the majority of brands in the company portfolio over a 12 months to January 2018, this was completed as planned. The process of exiting brands led to accelerated sales at reduced margins in 2018 and 2019 to clear ageing stock. The financial statements from 1 February 2020 to 30 June 2021 reflect trading of just one brand and do not include sales from exited brands. The company is able to now focus on the most profitable brands and progress plans with potential new brands.

Over the next few years, we intend to increase focus outside the UK and the company continues to invest in infrastructure to support this growth.

Principal risks and uncertainties

As for many businesses of our size, the business environment in which we operate continues to be challenging. The UK and European market is highly competitive and margins will continue to come under pressure due to the volatile in the FX market following the United Kingdom's decision to leave the EU. We are of course also subject to consumer spending patterns and consumers overall disposable incomes within our economy. With these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen future events outside our control.

In response to the COVID-19 viral pandemic the company has assessed its immediate and long-term cash flow requirements and has adequate assets to support and mitigate the impact of the virus. The company continues to work closely with its suppliers and customers to minimise the impact.

Financial key performance indicators

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover and gross margin.

Turnover for the period was £7.5m (17 months of operations) versus £12.7m (12 months) which represented approximately a 75% reduction on annualised figures. Gross profit margin was 23.4% (2020: 27.9%). The operating loss reported was £32k (2020: £153k profit).

Whilst it has been a challenging year, it has prompted us to take a fresh look at everything we do from the mix of our brand portfolio, the management of our cost base, our sourcing and buying methods, stock management and relationships with retailers. As a result of these endeavours, many challenges and opportunities have emerged.

On behalf of the board:

A T Jalil - Director

30 December 2021

Report of the Directors
for the period 1 February 2020 to 30 June 2021

The directors present their report with the financial statements of the company for the period 1 February 2020 to 30 June 2021.

Dividends

The profit/(loss) for the year, after taxation, amounted to a loss of £158,239 (2020: £5,708 profit).

The directors do not propose a final dividend.

Directors

The directors shown below have held office during the whole of the period from 1 February 2020 to the date of this report.

A T Jalil
M Guinchard

Qualifying third party indemnity provisions

During the period and up to the date of the report, the Company maintained liability insurance and third-party indemnification provisions for its directors, under which the Company has agreed to indemnify the directors to the extent permitted by law in respect of all liabilities to third parties arising out of, or in connection with, the execution of their powers, duties and responsibilities as directors of the Company.

Financial risk management objectives and policies

The Company's activities expose it to a number of financial risks.

The Company has taken steps to ensure that when purchasing finished goods it has limited its reliance on any one supplier by expanding the supplier base and territories.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for that other party by failing to discharge an obligation. Credit risk attributable to trade receivables is minimised by setting credit limits based on credit ratings assigned by credit agencies.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company aims to mitigate liquidity risk by managing cash generation through its operation and by applying cash collection targets.

Cash flow risk

Cash flow risk is the risk of exposure to variability in cash flows that are attributable to a particular risk associated with a recognised asset or liability such as future interest payments on a variable rate debt. The Company's exposure to cash flow risk is limited as the Company uses invoice financing.

Foreign exchange risk

The Company tries to minimise foreign exchange risk by monitoring all its foreign currency denominated transactions and as much as possible limiting them in entering into transactions having a volatile foreign currency.

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.

Report of the Directors
for the period 1 February 2020 to 30 June 2021

Statement of directors' responsibilities - continued

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 ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditors, Haines Watts Birmingham LLP, will be deemed to be re-appointed under section 487(2) of the Companies Act 2006.

On behalf of the board:

A T Jalil - Director

30 December 2021

Report of the Independent Auditors to the Members of
Flyers CNV Limited

Opinion

We have audited the financial statements of Flyers CNV Limited (the 'company') for the period ended 30 June 2021 which comprise the Statement of Comprehensive Income, Balance Sheet, 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 30 June 2021 and of its loss for the period 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.

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and wider economy. The Directors' view on the impact of COVID-19 is disclosed in the accounting policies note.

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.

Report of the Independent Auditors to the Members of
Flyers CNV Limited

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on pages three and four, 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.

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 framework applicable to both the company itself and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors and other management. The most significant were identified as the Companies Act 2006, UK GAAP (FRS102) and relevant tax legislation.

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- making enquires of directors and management as to where they consider there to be a susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the design effectiveness of the controls in place to prevent and detect fraud;
- assessing the risk of management override including identifying and testing journal entries;
- challenging the assumptions and judgements made by management in its significant accounting estimates.

Whilst our audit did not identify any significant matters relating to the detection of irregularities including fraud, and despite the audit being planned and conducted in accordance with ISAs (UK), there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity would likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

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
Flyers CNV Limited

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.

Kevin Hodgetts (Senior Statutory Auditor)
for and on behalf of Haines Watts Birmingham LLP
5-6 Greenfield Crescent
Edgbaston
Birmingham
B15 3BE

30 December 2021

Statement of Comprehensive
Income
for the period 1 February 2020 to 30 June 2021

		Period 1/2/20 to 30/6/21 £	Year ended 31/1/20 £
	Notes		
Turnover	3	7,519,827	12,719,464
Cost of sales		<u>(5,758,976)</u>	<u>(9,171,130)</u>
Gross profit		1,760,851	3,548,334
Distribution costs		<u>(173,729)</u>	<u>(257,213)</u>
Administrative expenses		<u>(1,619,362)</u>	<u>(3,138,413)</u>
Operating (loss)/profit	5	(32,240)	152,708
Interest payable and similar expenses	6	<u>(125,999)</u>	<u>(147,466)</u>
(Loss)/profit before taxation		(158,239)	5,242
Tax on (loss)/profit	7	<u>-</u>	<u>466</u>
(Loss)/profit for the financial period		(158,239)	5,708
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the period		(158,239)	5,708

The notes form part of these financial statements

Balance Sheet
30 June 2021

	Notes	£	2021 £	£	2020 £
Fixed assets					
Tangible assets	9		-		-
Investments	10		<u>20,761</u>		<u>20,761</u>
			20,761		20,761
Current assets					
Stocks	11	24,110		2,977,835	
Debtors	12	1,501,368		3,386,395	
Cash at bank		<u>103,152</u>		<u>570,821</u>	
		1,628,630		6,935,051	
Creditors					
Amounts falling due within one year	13	<u>1,186,023</u>		<u>6,334,205</u>	
Net current assets			<u>442,607</u>		<u>600,846</u>
Total assets less current liabilities			<u>463,368</u>		<u>621,607</u>
Capital and reserves					
Called up share capital	14		1		1
Retained earnings	15		<u>463,367</u>		<u>621,606</u>
Shareholders' funds			<u>463,368</u>		<u>621,607</u>

The financial statements were approved by the Board of Directors and authorised for issue on 30 December 2021 and were signed on its behalf by:

A T Jalil - Director

Statement of Changes in Equity
for the period 1 February 2020 to 30 June 2021

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 February 2019	1	615,898	615,899
Changes in equity			
Total comprehensive income	-	5,708	5,708
Balance at 31 January 2020	<u>1</u>	<u>621,606</u>	<u>621,607</u>
Changes in equity			
Total comprehensive income	-	(158,239)	(158,239)
Balance at 30 June 2021	<u>1</u>	<u>463,367</u>	<u>463,368</u>

Notes to the Financial Statements
for the period 1 February 2020 to 30 June 2021

1. **Statutory information**

Flyers CNV Limited 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.

The following principal accounting policies have been applied:

Going concern

The directors have prepared the financial statements on a going concern basis for a period of not less than 12 months from the date of signature. In light of future projections and positive net assets of £463,368 at the reporting date, the directors therefore consider the going concern basis to be appropriate.

The impact of COVID-19

In response to the COVID-19 viral pandemic, the directors have further considered their cash flow projections to take into account the impact on the business of possible scenarios brought on by the impact of COVID-19, alongside the measures that they can take to mitigate the impact. Based on these assessments, and given the measures that could be undertaken to mitigate the current adverse conditions, together with the current resources available, the directors have concluded that they can continue to adopt the going concern basis in preparing the financial statements.

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 requirement of paragraph 3.17(d);
- the requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirement of paragraph 33.7.

This information is included in the consolidated financial statements of The Brand Machine Limited as at 30 June 2021 and these financial statements are publicly available from Unit 1 Windsor Industrial Estate, 424 Ware Road, Hertford, Hertfordshire, SG13 7EW.

Preparation of consolidated financial statements

The financial statements contain information about Flyers CNV Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, The Brand Machine Limited, Unit 1 Windsor Industrial Estate, 424 Ware Road, Hertford, Hertfordshire, SG13 7EW.

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. Items in the financial statements where these judgements and estimates have been made include the carrying value of stocks (and provisions for slow-moving and obsolete items), provisions against potentially irrecoverable debtors and provision for credit notes and the useful lives and recoverability of tangible and intangible fixed assets. There are also judgements in respect of tax and deferred tax balances.

Notes to the Financial Statements - continued
for the period 1 February 2020 to 30 June 2021

2. **Accounting policies - continued**

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet 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 period 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.

Foreign currencies

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 the Statement of Comprehensive Income.

Finance costs

Finance costs are charged to the Statement of Comprehensive Income 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.

3. **Turnover**

The turnover and loss (2020 - profit) before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	Period 1/2/20 to 30/6/21 £	Year ended 31/1/20 £
United Kingdom	6,182,792	10,888,848
Europe	1,337,035	1,760,310
Rest of the World	-	70,306
	7,519,827	12,719,464

4. **Employees and directors**

The company has no employees other than directors, who did not receive any remuneration during the period (2020: £Nil.)

Notes to the Financial Statements - continued
for the period 1 February 2020 to 30 June 2021

	Period 1/2/20 to 30/6/21 £	Year ended 31/1/20 £
Directors' remuneration	-	-

5. **Operating (loss)/profit**

The operating loss (2020 - operating profit) is stated after charging:

	Period 1/2/20 to 30/6/21 £	Year ended 31/1/20 £
Depreciation - owned assets	-	7,052
Foreign exchange differences	<u>43,760</u>	<u>87,076</u>

Auditors' remuneration

The fees payable to the company's auditors for the audit of the company's annual accounts are borne by Flyers Group Plc.

Creditor Remuneration Trust contributions

The company made a contribution in the accounting period to a Creditor Remuneration Trust (The GC Wealth RT Limited Remuneration Trust) in the amount of £nil (2020: £1,800,000). The terms of the Trust are set out in a Trust Deed executed by the company and the original trustees.

6. **Interest payable and similar expenses**

	Period 1/2/20 to 30/6/21 £	Year ended 31/1/20 £
Other interest - on factored debts	<u>125,999</u>	<u>147,466</u>
	<u>125,999</u>	<u>147,466</u>

7. **Taxation**

Analysis of the tax credit

The tax credit on the loss for the period was as follows:

	Period 1/2/20 to 30/6/21 £	Year ended 31/1/20 £
Current tax:		
UK corporation tax	-	2,336
Under provision in prior year	-	(1,673)
Total current tax	-	663
Deferred tax	-	(1,129)
Tax on (loss)/profit	-	(466)

Notes to the Financial Statements - continued
for the period 1 February 2020 to 30 June 2021

7. **Taxation - continued**

Reconciliation of total tax credit included in profit and loss

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

	Period 1/2/20 to 30/6/21 £	Year ended 31/1/20 £
(Loss)/profit before tax	<u>(158,239)</u>	<u>5,242</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	(30,065)	996
Effects of:		
Expenses not deductible for tax purposes	76	-
Depreciation in excess of capital allowances	-	211
Adjustments to tax charge in respect of previous periods	-	(1,673)
Losses surrendered (group relief)	28,241	-
Unrelieved trading losses carried forward	<u>1,748</u>	<u>-</u>
Total tax credit	<u>-</u>	<u>(466)</u>

8. **Comparatives**

The accounting period end has been changed from 31 January to 30 June. As such this accounting period is extended by 5 months and so comparatives are not entirely comparable.

9. **Tangible fixed assets**

	Fixtures and fittings £
Cost	
At 1 February 2020 and 30 June 2021	<u>42,780</u>
Depreciation	
At 1 February 2020 and 30 June 2021	<u>42,780</u>
Net book value	
At 30 June 2021	<u>-</u>
At 31 January 2020	<u>-</u>

Notes to the Financial Statements - continued
for the period 1 February 2020 to 30 June 2021

10. **Fixed asset investments**

Shares in
group
undertakings
£

Cost

At 1 February 2020
and 30 June 2021

20,761

Net book value

At 30 June 2021

20,761

At 31 January 2020

20,761

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Flyers CNV GmbH

Registered office: District Court, Dusseldorf, HRB 71811

Nature of business: Wholesale and dist. of children's garments

Class of shares:

Ordinary

%
holding
100.00

2021

2020

£

£

Aggregate capital and reserves

(182,234)

(237,576)

Profit for the period/year

79,875

55,163

11. **Stocks**

2021

2020

£

£

Finished goods

24,110

2,977,835

12. **Debtors: amounts falling due within one year**

2021

2020

£

£

Trade debtors

28,203

2,894,844

Amounts owed by group undertakings

1,446,215

489,589

VAT

26,950

-

Prepayments and accrued income

-

1,962

1,501,368

3,386,395

13. **Creditors: amounts falling due within one year**

2021

2020

£

£

Trade creditors

1,548

2,805,291

Corporation tax

-

2,336

VAT

-

8,742

Other creditors

23,984

975,442

Directors' loan accounts

1,153,654

1,859,893

Accruals and deferred income

6,837

682,501

1,186,023

6,334,205

Notes to the Financial Statements - continued
for the period 1 February 2020 to 30 June 2021

13. **Creditors: amounts falling due within one year - continued**

Other creditors includes £Nil (2020: £975,442) in respect of an invoice financing facility.

Invoice financing facilities are secured by way of fixed and floating charge over the undertaking and all property and assets present and future, including goodwill, book debts, uncalled capital, buildings, fixtures, fixed plant & machinery.

The director's loan account is an interest free loan repayable upon demand of the director.

14. **Called up share capital**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 £	2020 £
1	Ordinary shares	£1	<u>1</u>	<u>1</u>

Ordinary shares have a right to receive notice of, attend and vote at a general meeting of the company, receive dividends and capital on wind up.

15. **Reserves**

	Retained earnings £
At 1 February 2020	621,606
Deficit for the period	(158,239)
At 30 June 2021	<u>463,367</u>

The retained earnings reserve represents the cumulative profits and losses, net of dividends.

16. **Contingent liabilities**

At the time of approval of the financial statements, the company is responding to enquiries from HM Revenue and Customs into contributions made by the company into a Creditor Remuneration Trust. HM Revenue and Customs have indicated their view that adjustments are required, but at this time it is impractical to give an accurate estimate of the possible financial effect of these adjustments. The Directors are of the opinion that no provision for any amounts should be recognised in the financial statements of the company as they strongly believe that no transfer of funds or settlement of any obligation is probable.

17. **Related party disclosures**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

At 30 June 2021 the company owed £1,153,654 (2020: £1,859,893) to A T Jalil, following a loan in the year from the director of £nil (2020: £1,800,000).

FG Management Limited, a company controlled by A T Jalil, acted on behalf of the trustees of The GC Wealth RT Limited Remuneration Trust during the period (see note 5).

18. **Ultimate controlling party**

The immediate parent undertaking, and the smallest and largest group of which the company is a member, is The Brand Machine Limited. Copies of the financial statements of the immediate parent undertaking can be obtained from The Brand Machine Limited, Unit 1 Windsor Industrial Estate, 424 Ware Road, Hertford, Hertfordshire, SG13 7EW.

The ultimate controlling party is A T Jalil.

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.