

UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023
FOR
BELLA FREUD LTD

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FOR THE YEAR ENDED 31 MARCH 2023**

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BELLA FREUD LTD
COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2023

DIRECTORS:

J L Fox
I L Freud
J N Kennell
F Malverdi

REGISTERED OFFICE:

22 SW.214, Screenworks
22 Highbury Grove
London
N5 2EF

REGISTERED NUMBER:

08174429 (England and Wales)

ACCOUNTANTS:

Crowe U.K. LLP
Riverside House
40-46 High Street
Maidstone
Kent
ME14 1JH

BALANCE SHEET
31 MARCH 2023

	Notes	2023 £	£	2022 £	£
FIXED ASSETS					
Tangible assets	4		36,944		44,022
Investments	5		-		1,110,352
			<u>36,944</u>		<u>1,154,374</u>
CURRENT ASSETS					
Stocks	6	886,758		804,774	
Debtors	7	477,660		508,467	
Cash at bank and in hand		<u>488,666</u>		<u>155,380</u>	
		1,853,084		1,468,621	
CREDITORS					
Amounts falling due within one year	8	<u>248,369</u>		<u>566,643</u>	
NET CURRENT ASSETS			<u>1,604,715</u>		<u>901,978</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,641,659		2,056,352
CREDITORS					
Amounts falling due after more than one year	9		<u>1,527,567</u>		<u>1,142,877</u>
NET ASSETS			<u>114,092</u>		<u>913,475</u>
CAPITAL AND RESERVES					
Called up share capital	11		4		3
Share premium	12		4,650,168		3,500,036
Merger relief reserve	12		-		1,104,822
Retained earnings	12		<u>(4,536,080)</u>		<u>(3,691,386)</u>
SHAREHOLDERS' FUNDS			<u>114,092</u>		<u>913,475</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2023.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2023 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

BALANCE SHEET - continued
31 MARCH 2023

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

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved and authorised for issue by the Board of Directors and authorised for issue on 20 December 2023 and were signed on its behalf by:

I L Freud - Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. STATUTORY INFORMATION

Bella Freud 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.

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" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

Accounting standards require the directors to consider the appropriateness of the going concern basis when preparing the financial statements. The directors confirm that they consider that the going concern basis remains appropriate. The financial statements have been prepared on a going concern basis even though at the balance sheet date the company had incurred a net loss of £839,164 for the year for the year before the investment impairment of £1,110,352. The company's ability to continue as a going concern is dependent on the willingness of the director I L Freud and Pembroke VCT Plc, as the controlling party and a provider of finance, to continue to provide support. Both have expressed their willingness to provide financial support for at least 12 months from the date of approval of the financial statements in order for the company to meet its current liabilities.

When taking account of the measures above and the current performance of the business the directors believe that it is appropriate to continue to adopt the going concern basis of accounting in preparing the annual financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Related party exemption

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.

Turnover

Turnover is recognised when it is possible that the economic benefits will flow to the company and when the revenue can be measured reliably. From the sale of goods this occurs when the significant risks and rewards of ownership have been transferred to the buyer, provided that the company maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Improvements to property	20% straight line
Website development	33% straight line
Fixtures and fittings	33% straight line
Computer software	33% straight line
Office and computer equipment	33% straight line

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost less any impairments.

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks. Costs include all direct costs and an appropriate proportion of fixed and variable overheads.

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of the financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

2. **ACCOUNTING POLICIES - continued**

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 balance sheet date.

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 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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

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 operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term creditors are measured at the transaction price.

Cash and equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known accounts of cash with no significant risk of change in value.

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 the 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 Section 3 Financial Statement Presentation paragraph 3.17 (d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 21 (2022 - 15) .

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

4. TANGIBLE FIXED ASSETS

	Improvements to property £	Website development £	Fixtures and fittings £
COST			
At 1 April 2022	74,475	164,101	115,388
Additions	8,132	6,064	-
At 31 March 2023	<u>82,607</u>	<u>170,165</u>	<u>115,388</u>
DEPRECIATION			
At 1 April 2022	74,475	133,981	115,120
Charge for year	1,493	15,823	251
At 31 March 2023	<u>75,968</u>	<u>149,804</u>	<u>115,371</u>
NET BOOK VALUE			
At 31 March 2023	<u>6,639</u>	<u>20,361</u>	<u>17</u>
At 31 March 2022	<u>-</u>	<u>30,120</u>	<u>268</u>
	Computer software £	Office and computer equipment £	Totals £
COST			
At 1 April 2022	19,685	36,189	409,838
Additions	-	5,186	19,382
At 31 March 2023	<u>19,685</u>	<u>41,375</u>	<u>429,220</u>
DEPRECIATION			
At 1 April 2022	12,641	29,599	365,816
Charge for year	4,769	4,124	26,460
At 31 March 2023	<u>17,410</u>	<u>33,723</u>	<u>392,276</u>
NET BOOK VALUE			
At 31 March 2023	<u>2,275</u>	<u>7,652</u>	<u>36,944</u>
At 31 March 2022	<u>7,044</u>	<u>6,590</u>	<u>44,022</u>

5. FIXED ASSET INVESTMENTS

	Shares in group undertaking £
COST	
At 1 April 2022	1,110,352
Impairments	(1,110,352)
At 31 March 2023	<u>-</u>
NET BOOK VALUE	
At 31 March 2023	<u>-</u>
At 31 March 2022	<u>1,110,352</u>

The directors impaired the investment at the year end.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 20235. **FIXED ASSET INVESTMENTS - continued**

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

Bella Freud Parfum Limited

Registered office: United Kingdom

Nature of business: Development and sale of candles and perfumes

	%
Class of shares:	holding
Ordinary	100.00
Ordinary B	100.00

6. **STOCKS**

	2023	2022
	£	£
Stocks	<u>886,758</u>	<u>804,774</u>

7. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023	2022
	£	£
Trade debtors	141,931	275,184
Other debtors	81,113	56,197
Prepayments	<u>254,616</u>	<u>177,086</u>
	<u>477,660</u>	<u>508,467</u>

Included in trade debtors is an amount owing from the director of £nil (2022: £2,409).

8. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023	2022
	£	£
Bank loans and overdrafts	8,951	5,833
Trade creditors	62,490	114,713
Social security and other taxes	27,176	22,942
VAT	98,683	102,248
Other creditors	5,314	55,421
Accruals and deferred income	<u>45,755</u>	<u>265,486</u>
	<u>248,369</u>	<u>566,643</u>

During a prior year, the company obtained a £50,000 Bounce Back Loan as part of the Covid-19 government support to businesses during the pandemic. Interest is payable on the loan at 2.5% per annum over 6 years. The interest payable for the first 12 months is paid by the government. The loan is due to be repaid in 60 monthly instalments commencing 12 months from the drawdown date. The loan is secured by a government backed guarantee.

A fixed and floating charge over various assets of the company was satisfied on 25 May 2022.

A further fixed and floating charge over assets and undertakings of the company, was registered on 25 April 2022.

9. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2023	2022
	£	£
Bank loans - 2-5 years	35,803	44,167
Loans	1,150,000	850,000
Loan interest	<u>341,764</u>	<u>248,710</u>
	<u>1,527,567</u>	<u>1,142,877</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR - continued

	2023 £	2022 £
Amounts falling due in more than five years:		
Repayable by instalments		
Loans	1,150,000	850,000
Loan interest	341,764	248,710
	<u>1,491,764</u>	<u>1,098,710</u>

At the balance sheet date, £900,000 (2022: £600,000) is owed to Pembroke VCT Plc. Pembroke VCT Plc owns 46% of the ordinary share capital of the company.

Interest outstanding on the loans is charged at rates between 8% and 12% per annum. The amount outstanding in respect of the facility at the year end was £900,000 (2022: £600,000) and accrued interest was £230,477 (2022: £167,422).

At the balance sheet date, £250,000 (2022: £250,000) is owed to Peter Dubens, who owns 20% of the ordinary share capital of the company. At the year end the loan has accrued interest of £111,287 (2022: £81,288).

10. LEASING AGREEMENTS

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

	2023 £	2022 £
Within one year	91,254	98,454
Between one and five years	146,680	237,934
	<u>237,934</u>	<u>336,388</u>

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2023 £	2022 £
37,350	Ordinary	£0.0001	<u>4</u>	<u>3</u>

During the year the company issued 3,242 Ordinary shares at a premium of £1,150,132.

12. RESERVES

	Retained earnings £	Share premium £	Merger relief reserve £	Totals £
At 1 April 2022	(3,691,386)	3,500,036	1,104,822	913,472
Deficit for the year	(1,949,516)			(1,949,516)
Cash share issue	-	1,150,132	-	1,150,132
Transfer to reserves	-	-	(1,104,822)	(1,104,822)
Transfer from merger reserve	1,104,822	-	-	1,104,822
At 31 March 2023	<u>(4,536,080)</u>	<u>4,650,168</u>	<u>-</u>	<u>114,088</u>

On 29 June 2020, the company acquired 100% of the share capital of Bella Freud Parfum Limited by way of a share for share exchange giving rise to the merger relief reserve.

During the year, the directors impaired the investment in Bella Freud Parfum Limited in full, amounting to an impairment charge in the profit and loss account of £1,110,352. £1,104,822 of this was transferred between the merger reserve, which had arisen upon the acquisition, and the retained earnings.

13. **ULTIMATE CONTROLLING PARTY**

The company is controlled by Pembroke VCT PLC.

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.