

Company Registration No. 10184572 (England and Wales)

I SAW IT FIRST LIMITED
ANNUAL REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 3 OCTOBER 2021



I SAW IT FIRST LIMITED

COMPANY INFORMATION

Directors	J A Kamani	
	L Holmes	
	G V Pateras	(Appointed 10 September 2021)
	A E R Stevenson-Thorpe	(Resigned 14 October 2021)
Company number	10184572	
Registered office	12-14 Robert Street Manchester M3 1EY	
Auditor	UHY Hacker Young Manchester LLP St James Building 79 Oxford Street Manchester M1 6HT	
Business address	12-14 Robert Street Manchester M3 1EY	
Bankers	Barclays Leicester LE7 2BB	
Solicitors	Linda Myers Sale Point 126-150 Washway Road Sale M33 6AG	

I SAW IT FIRST LIMITED

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I SAW IT FIRST LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 3 OCTOBER 2021

The directors present the strategic report for the year ended 3 October 2021.

Fair review of the business

I Saw It First Limited is a pure play own branded clothing, footwear and homeware business. The e-commerce business was founded in 2017 and has grown rapidly, driven by mobile and app, already establishing a customer base in excess of 3m customers.

I Saw It First Limited's core customer segment is the female shopper 30 and under. The company attracts customers by providing popular innovative designs at an affordable price. I Saw It First Limited is focussed on its core domestic markets whilst having presence internationally in the USA, Australia, and other European nations.

Products are sourced globally with the UK our largest sourcing territory. The company uses third party logistics for inventory management to gather products and distribute customer orders, using a number of transport partners. The logistics network offers a quick and efficient method of getting products to customers in time for them to wear the latest fashion styles as soon as the next day.

I Saw It First Limited uses a complementary blend of TV and out-of-home advertising, social media, digital marketing, and an extensive network of influencers to provide the infrastructure and support for its growth as it strives to become a global household brand.

The wholesale business launched last year has shown strong growth and has high growth potential domestically and internationally

Offering our Customers great product choice is important and following the launch of homeware and menswear we have done a soft launch into childrenswear.

Strategy and Objectives

The company's strategy is to make our great choice of quality clothing, footwear and homeware affordable to our core demographic of 30s and under, focusing on the high growth digital channels to market. We will continue to focus on our domestic markets which we think we can further penetrate, whilst continuing to establish the Brand in UK speaking territories like Australia and the USA.

The company would like to become an industry leader in applying the best internal controls and processes to ensure supplier compliance and ethical policies are adhered to and we have made a number of senior appointments in the year which demonstrates our commitment to an agenda of change in the industry.

There were a number of changes to management in the year with Greg Pateras coming in as CEO with Andrew, Mo and Shaz moving onto new ventures with our best wishes and appreciation for their contribution. The new management team will continue to build on the foundations already laid and will be looking to further evolve and differentiate the proposition to capitalise on the already sizeable customer base and high growth online sector.

I SAW IT FIRST LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 3 OCTOBER 2021

Principal risks and uncertainties

Risk	Risk Factors	Mitigation
Ethical Risk	Complexities within the supply chain mean that a risk of illegal, unethical, non-compliant or inappropriate behaviour could go undetected. This includes suppliers' violation of laws & regulation, amongst others, improper labour conditions or human rights abuses & failing to meet industry standards & safety specifications. This would ultimately result in damage to the brand & the company's reputation or investigation from regulatory bodies.	<ul style="list-style-type: none"> - Use industry frameworks & guidance to define current & future policies with existing suppliers and evaluating new suppliers. - Establish an appropriate sourcing & compliance team structure. Including appointment of head of compliance. - Schedule regular supplier audits against the company's code of conduct. - Collaborate with industry stakeholders to inform decisions on governance. - Ensure suppliers behaviours align with the company's values.
Supply chain Risk	<ul style="list-style-type: none"> - A breakdown of the supply chain could have a material impact on the Company's ability to remain competitive. This includes access to production facilities with the capacity & expertise to operate within a timely manner. - An efficient distribution network is required to accommodate the company's future growth plans. Factors which could affect supply include potential economic or political instability, civil unrest, natural disasters & pandemics. - Any increase in prices would have a detrimental effect on the business as it would be difficult to pass these costs onto the customer. This includes increases to labour, energy & transport costs as well as interruptions causing delays to manufacturing & shipping. - Regulatory and reputational risks associated with increased focus on sustainability and environmental performance of operations. 	<ul style="list-style-type: none"> - Maintain a diverse supplier base across multiple territories, promoting a competitive environment, managing risks & mitigating reliance on key suppliers. - Establish an experienced & knowledgeable buying team with valuable sector insight & negotiation skills to implement best purchasing practices. - Manage relationships including global supply chain, operations & warehousing to ensure quality of service delivery is effective & efficient whilst providing exceptional value for money. - Establish transparency within our supply chain to assess the impact on the environment from concept to consumer.

I SAW IT FIRST LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 3 OCTOBER 2021

Risk	Risk Factors	Mitigation
Competitive risk	The industry is broad with an open market encouraging many competitors. Consumers have access to a multitude of options at their fingertips making it increasingly challenging to grow market share. There are many factors influencing consumer decision making including brand, price, choice, quality & service. A decline in any of these factors could have an adverse effect on market share.	<ul style="list-style-type: none">- Invest in brand building activities to safeguard the brand guaranteeing it remains in the forefront of its target audience with a positive perception.- Review competitor offerings regularly to ensure the company is aligned with market developments & emerging trends.- Operating a differentiated business model alleviates specific competitor risk by diversifying the offerings & reducing reliance on specific product lines.- Continuous market research of current & target audiences identifies changing preferences. Insight is valuable in resolving potential or current issues & maintaining a competitive advantage.- Monitor the ecommerce market for current developments & innovation.- Use ambitious targets to promote exceptional performance in key deliverables including value, selection, quality, customer service & traffic.
Governance Risk	Governance issues could result in the business being unable to meet the best interests of its stakeholders.	Ensure that Governance is a priority as a board agenda item.

Key performance indicators

Revenue for the period has increased by £17.1 million, up 30% on the previous year. Growth in the UK, the largest market, was 36%.

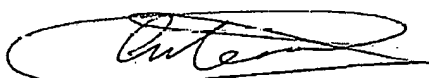
The company continued to grow its wholesale business and achieved sales growth of 357% through this channel.

The company's financial year end loss after tax is £7.8m versus the prior year loss for £7.5m.

Health and Safety

The company follows and implements recommended Health and Safety policies to ensure the wellbeing of their employees and public safety. Robust Covid-19 rules have been implemented.

On behalf of the board



G V Pateras
Director

Date: 23/06/22

I SAW IT FIRST LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 3 OCTOBER 2021

The directors present their annual report and financial statements for the year ended 3 October 2021.

Principal activities

The principal activity of the company continued to be that of an online clothing, footwear and homeware retailer.

Results and dividends

The results for the year are set out on page 9.

No ordinary or preference dividends were paid.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

M Marzouk	(Resigned 14 September 2021)
J A Kamani	
S F Irshad	(Resigned 14 September 2021)
L Holmes	
A E R Stevenson-Thorpe	(Resigned 14 October 2021)
G V Pateras	(Appointed 10 September 2021)

Financial instruments

Financial risk management

The company's principle financial instruments are cash, trade creditors and trade debtors.

The company receives the majority of its sales receipts from customers that pay upfront. As well as accepting the majority of its receipts direct from its ecommerce platform provider, the company also uses well-known Buy Now Pay Later (BNPL) providers that bear the risk of any credit default.

The wholesale business does not carry a significant risk as it only makes up a small portion the overall revenues, however all customers are on commercial terms and bad debt is managed with the relevant financial processes and credit controls.

Liquidity risk

The company to date has been funded by preference shares and investor loans. The company does not face any interest rate risk as it currently has no debt that is due to any financial institution.

Cashflow and foreign currency risk

The majority of the company's customers and suppliers are UK based and as a result the company faces low foreign exchange risk. However, to manage payments to foreign suppliers, the company buys blocks of currency in advance to mitigate the exchange rate risk and transactions fees.

The exchange rate risk is regularly monitored and there is no requirement to enter forward contracts at present.

Future developments

The business continues to trade in line with the expectations of the directors.

Auditor

The auditor, UHY Hacker Young Manchester LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

I SAW IT FIRST LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 3 OCTOBER 2021

Statement of directors' responsibilities

The directors are responsible for preparing the annual report 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:

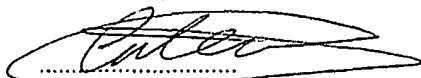
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



G V Pateras
Director

Date: 23/06/22

I SAW IT FIRST LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF I SAW IT FIRST LIMITED

Opinion

We have audited the financial statements of I Saw It First Limited (the 'company') for the year ended 3 October 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 3 October 2021 and of its loss 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 *Auditor's 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

I SAW IT FIRST LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF I SAW IT FIRST 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 and the directors' report.

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 directors' responsibilities statement, 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 is 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.

Auditor's 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 an auditor's report 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.

Identifying and assessing potential risks related to irregularities

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 may be fundamental to the group's ability to operate or to avoid a material penalty. These included the group's FCA regulatory requirements.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management and those charged with governance concerning actual and potential litigation claims;
- in addressing the risk of fraud through inappropriate valuation of stock, assessing net realisable value of stock items sold after the year end was above cost or assessing their value with reference to third party data sources if unsold.
- in addressing the risk of fraud through inappropriate recording of supplier incentives, ensuring amounts recorded as due were then subsequently acknowledged as such by the supplier;
- in assessing the risk of fraud through management override of controls, testing the appropriateness of journal entries and assessing whether judgements made in making accounting estimates are indicative of potential bias.

I SAW IT FIRST LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF I SAW IT FIRST LIMITED

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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 an auditor's report 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.



Mark Robertson BA BSc CA (Senior Statutory Auditor)
For and on behalf of UHY Hacker Young Manchester LLP

Chartered Accountants
Statutory Auditor

23.06/22

St James Building
79 Oxford Street
Manchester
M1 6HT

I SAW IT FIRST LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 3 OCTOBER 2021

		Pre- exceptional items	Exceptional items (Note 4)	Total 2021	Pre- exceptional items as restated	Exceptional items	Total 2020 as restated
	Notes	£'000	£'000	£'000	£'000	£'000	£'000
Turnover	3	74,775	-	74,775	57,711	-	57,711
Cost of sales		(72,017)	-	(72,017)	(57,682)	-	(57,682)
Gross profit		2,758	-	2,758	29	-	29
Administrative expenses		(9,935)	(871)	(10,806)	(8,316)	-	(8,316)
Other operating income		292	-	292	744	-	744
Operating loss	5	(6,885)	(871)	(7,756)	(7,543)	-	(7,543)
Interest receivable and similar income	9	-	-	-	5	-	5
Tax on loss	10	-	-	-	-	-	-
Loss for the financial year		(6,885)	(871)	(7,756)	(7,538)	-	(7,538)

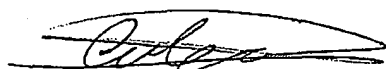
I SAW IT FIRST LIMITED

BALANCE SHEET

AS AT 3 OCTOBER 2021

		2021		2020 as restated	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	11		-		4
Tangible assets	12		1,007		761
			<u>1,007</u>		<u>765</u>
Current assets					
Stocks	13	6,233		7,019	
Debtors	14	2,408		4,977	
Cash at bank and in hand		6,683		3,764	
		<u>15,324</u>		<u>15,760</u>	
Creditors: amounts falling due within one year	15	(12,894)		(15,060)	
Net current assets			<u>2,430</u>		<u>700</u>
Total assets less current liabilities			<u>3,437</u>		<u>1,465</u>
Creditors: amounts falling due after more than one year	16		(12,234)		(2,506)
Net liabilities			<u>(8,797)</u>		<u>(1,041)</u>
Capital and reserves					
Called up share capital	19		24,000		24,000
Profit and loss reserves			(32,797)		(25,041)
Total equity			<u>(8,797)</u>		<u>(1,041)</u>

The financial statements were approved by the board of directors and authorised for issue on 23/06/22 and are signed on its behalf by:



G V Pateras
Director

Company Registration No. 10184572

I SAW IT FIRST LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 3 OCTOBER 2021

	Notes	Share capital £'000	Profit and loss reserves £'000	Total £'000
As restated for the period ended 4 October 2020:				
Balance at 7 October 2019		15,000	(17,503)	(2,503)
Period ended 4 October 2020:				
Loss and total comprehensive income for the period		-	(7,538)	(7,538)
Issue of share capital	19	9,000	-	9,000
Balance at 4 October 2020		24,000	(25,041)	(1,041)
Year ended 3 October 2021:				
Loss and total comprehensive income for the year		-	(7,756)	(7,756)
Balance at 3 October 2021		24,000	(32,797)	(8,797)

I SAW IT FIRST LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 3 OCTOBER 2021

		2021		2020 as restated	
	Notes	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Cash absorbed by operations	23		(4,710)		(8,864)
Investing activities					
Purchase of tangible fixed assets		(773)		(323)	
Proceeds on disposal of tangible fixed assets		10		1	
Interest received		-		5	
Net cash used in investing activities			(763)		(317)
Financing activities					
Repayment of borrowings		(1,336)		7,892	
Director loan account		9,728		2,504	
Net cash generated from financing activities			8,392		10,396
Net increase in cash and cash equivalents			2,919		1,215
Cash and cash equivalents at beginning of year			3,764		2,549
Cash and cash equivalents at end of year			6,683		3,764

I SAW IT FIRST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 3 OCTOBER 2021

1 Accounting policies

Company information

I Saw It First Limited is a private company limited by shares incorporated in England and Wales. The registered office is 12-14 Robert Street, Manchester, M3 1EY.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

During the year ended 3 October 2021, the company made losses after tax of £7.76m (2020: £7.54m), net current assets of £2.4m (2020: £700k), and net liabilities of £8.8m (2020: £1.0m). Directors believe that the company will continue in its operational existence for the foreseeable future with continuing support from the directors and continued trading growth.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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 payment of the 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.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	33.33% Straight line
Domain names	33.33% Straight line

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

I SAW IT FIRST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 3 OCTOBER 2021

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	33.33% Straight line
Plant and equipment	10.00% Straight line
Fixtures and fittings	33.33% Straight line
Computers	33.33% Straight line
Motor vehicles	33.33% Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

I SAW IT FIRST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 3 OCTOBER 2021

1 Accounting policies

(Continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

I SAW IT FIRST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 3 OCTOBER 2021

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

I SAW IT FIRST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 3 OCTOBER 2021

1 Accounting policies

(Continued)

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

I SAW IT FIRST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 3 OCTOBER 2021

2 Judgements and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Returns provision

The returns provision relates to the cost of stock sold which is estimated to be returned by the customer, this estimation is based on historical data and sales volumes around the year end.

3 Turnover and other revenue

	2021	2020
	£'000	as restated £'000
Turnover analysed by class of business		
Sale of goods	74,775	57,711
	<u>74,775</u>	<u>57,711</u>
	2021	2020
	£'000	£'000
Other significant revenue		
Interest income	-	5
Grants received	180	465
	<u>180</u>	<u>465</u>
	2021	2020
	£'000	as restated £'000
Turnover analysed by geographical market		
United Kingdom	69,360	50,927
EU	4,500	5,757
Rest of World	915	1,027
	<u>74,775</u>	<u>57,711</u>

4 Exceptional item

	2021	2020
	£'000	£'000
Expenditure		
Exceptional item	871	-
	<u>871</u>	<u>-</u>

During the year a provision has been required for onerous contracts amounting to £805,176 (2020: £Nil). The company has also provided for additional rates charges amounting to £65,466 (2020: £Nil). The assessment of which is still ongoing.

I SAW IT FIRST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 3 OCTOBER 2021

5 Operating loss

	2021 £'000	2020 £'000
Operating loss for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	93	59
Government grants	(180)	(465)
Fees payable to the company's auditor for the audit of the company's financial statements	27	33
Depreciation of owned tangible fixed assets	519	374
(Profit)/loss on disposal of tangible fixed assets	(1)	1
Amortisation of intangible assets	4	24
Operating lease charges	679	560
	<u> </u>	<u> </u>

6 Auditor's remuneration

	2021 £'000	2020 £'000
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	27	33
	<u> </u>	<u> </u>

7 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

2021 Number	2020 Number
226	222
<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2021 £'000	2020 as restated £'000
Wages and salaries	5,868	4,675
Social security costs	515	415
Pension costs	117	94
	<u> </u>	<u> </u>
	6,500	5,184
	<u> </u>	<u> </u>

I SAW IT FIRST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 3 OCTOBER 2021

8 Directors' remuneration

	2021 £'000	2020 £'000
Remuneration for qualifying services	337	400
Company pension contributions to defined contribution schemes	13	5
	<u>350</u>	<u>405</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2020 - 4).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2021 £'000	2020 £'000
Remuneration for qualifying services	90	80
Company pension contributions to defined contribution schemes	1	1
	<u>91</u>	<u>81</u>

9 Interest receivable and similar income

	2021 £'000	2020 £'000
Interest income		
Interest on bank deposits	-	5
	<u>-</u>	<u>5</u>
 Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	-	5
	<u>-</u>	<u>5</u>

I SAW IT FIRST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 3 OCTOBER 2021

10 Taxation

The actual charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £'000	2020 as restated £'000
Loss before taxation	(7,756)	(7,538)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(1,474)	(1,432)
Change in unrecognised deferred tax assets	3,291	1,670
Permanent capital allowances in excess of depreciation	(2)	28
Effect of change in deferred tax rate	(1,825)	(291)
Other tax adjustments	10	25
Taxation charge for the year	-	-

11 Intangible fixed assets

	Software £'000	Domain name £'000	Total £'000
Cost			
At 5 October 2020 and 3 October 2021	66	22	88
Amortisation and impairment			
At 5 October 2020	62	22	84
Amortisation charged for the year	4	-	4
At 3 October 2021	66	22	88
Carrying amount			
At 3 October 2021	-	-	-
At 4 October 2020	4	-	4

I SAW IT FIRST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 3 OCTOBER 2021

12 Tangible fixed assets

	Leasehold improvements £'000	Plant and equipment £'000	Fixtures and fittings £'000	Computers £'000	Motor vehicles £'000	Total £'000
Cost						
At 5 October 2020	758	128	172	290	32	1,380
Additions	108	231	227	207	-	773
Disposals	(48)	-	-	(3)	-	(51)
At 3 October 2021	818	359	399	494	32	2,102
Depreciation and impairment						
At 5 October 2020	387	16	78	127	10	618
Depreciation charged in the year	248	33	99	128	11	519
Eliminated in respect of disposals	(40)	-	-	(2)	-	(42)
At 3 October 2021	595	49	177	253	21	1,095
Carrying amount						
At 3 October 2021	223	310	222	241	11	1,007
At 4 October 2020	371	112	93	163	22	761

13 Stocks

	2021 £'000	2020 as restated £'000
Finished goods and goods for resale	6,233	7,019

14 Debtors

	2021 £'000	2020 £'000
Amounts falling due within one year:		
Trade debtors	1,746	2,921
Corporation tax recoverable	154	154
Other debtors	163	1,535
Prepayments and accrued income	345	367
	2,408	4,977

I SAW IT FIRST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 3 OCTOBER 2021

15 Creditors: amounts falling due within one year

		2021	2020 as restated
	Notes	£'000	£'000
Other borrowings	17	-	1,336
Trade creditors		7,533	4,044
Taxation and social security		806	1,925
Deferred income		198	41
Other creditors		308	3,850
Accruals		4,049	3,864
		<u>12,894</u>	<u>15,060</u>

16 Creditors: amounts falling due after more than one year

	2021	2020 as restated
	£'000	£'000
Other creditors	12,234	2,506
	<u>12,234</u>	<u>2,506</u>

17 Loans and overdrafts

	2021	2020
	£'000	£'000
Other loans	-	1,336
	<u>-</u>	<u>1,336</u>
Payable within one year	-	1,336
	<u>-</u>	<u>1,336</u>

The loans are unsecured.

No payment terms are in place and no interest is being charged on these amounts. Repayment in the following events: a share sale, a substantial asset listing and a listing.

18 Retirement benefit schemes

	2021	2020
Defined contribution schemes	£'000	£'000
Charge to profit or loss in respect of defined contribution schemes	117	94
	<u>117</u>	<u>94</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

I SAW IT FIRST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 3 OCTOBER 2021

19 Share capital

	2021 Number	2020 Number	2021 £'000	2020 £'000
Ordinary share capital				
A Ordinary Shares of 0.001p each	12,409,320	8,733,000	-	-
B Ordinary Shares of 0.001p each	7,921,721	4,051,889	-	-
Preference share capital Issued and fully paid	2021 Number	2020 Number	2021 £'000	2020 £'000
Redeemable Preference Shares of 0.01p each	2,399,996,000	2,399,996,000	24,000	24,000
Preference shares classified as equity			24,000	24,000
Total equity share capital			24,000	24,000

On 20 February 2020 there was an allotment of 900,000,000 restricted redeemable preference shares of £0.01 each, resulting in 23,999,960 restricted redeemable preference shares of £0.01 in issue. These shares are non-voting with fixed dividend rights of £0.0000001 per share per annum.

On 3 June 2020 there was an allotment of 2,440,062 B ordinary shares of £0.00001, resulting in 4,051,889 B Ordinary shares of £0.00001 in issue.

On 10 September 2021 there was a transfer of 3,676,320 B Ordinary shares to 3,676,320 A Ordinary shares.

A Ordinary and B Ordinary shares rank pari passu.

The B Ordinary shares do not have any voting rights.

20 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £'000	2020 £'000
Within one year	284	324
Between two and five years	188	365
	472	689

I SAW IT FIRST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 3 OCTOBER 2021

21 Related party transactions

Transactions with related parties

Included within other creditors is an amount owed to M&R Developments Limited, a company with significant control over I Saw It First of £885,746 (2020 - £885,746). No interest has been charged on these amounts.

Included within other creditors is an amount owed to J Kamani, a director of £11,347,987 (2020: £2,505,689). No interest has been charged on this amount.

During the year purchases amounting to £1,520,836 (2020: £Nil) were made from The Robert Street Hub Ltd, a company in which J Kamani exercises significant control. The amount owed to The Robert Street Hub Ltd at the year end was £Nil (2020: £5,159,594).

22 Ultimate controlling party

The ultimate controlling parent is considered to be J Kamani.

23 Cash absorbed by operations

	2021 £'000	2020 £'000
Loss for the year after tax	(7,756)	(7,538)
Adjustments for:		
Investment income	-	(5)
(Gain)/loss on disposal of tangible fixed assets	(1)	1
Amortisation and impairment of intangible assets	4	24
Depreciation and impairment of tangible fixed assets	519	374
Movements in working capital:		
Decrease/(increase) in stocks	786	(2,182)
Decrease/(increase) in debtors	2,569	(3,396)
(Decrease)/increase in creditors	(988)	3,874
Increase/(decrease) in deferred income	157	(16)
Cash absorbed by operations	(4,710)	(8,864)

24 Analysis of changes in net funds

	5 October 2020 £'000	Cash flows £'000	3 October 2021 £'000
Cash at bank and in hand	3,764	2,919	6,683
Borrowings excluding overdrafts	(1,336)	1,336	-
	<u>2,428</u>	<u>4,255</u>	<u>6,683</u>

I SAW IT FIRST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 3 OCTOBER 2021

25 Prior period adjustment

A review of the opening stock provision was undertaken and a more appropriate accounting estimate was made resulting in an additional charge of £790,040 to the opening provision. An adjustment has been made to increase the stock provision and a corresponding entry to cost of sales made.

Balance due to a director amounting to £2,505,689 have been reclassified from other creditors due within one year to other creditors falling due after more than one year

Shipping revenues of £3,820,259 was previously included within cost of sales and offset against the cost. It has now been included within sales which is more appropriate, This had no impact on profit.

Changes to the balance sheet

	As previously reported £'000	Adjustment £'000	As restated at 4 Oct 2020 £'000
Current assets			
Stocks	7,809	(790)	7,019
Creditors due within one year			
Other creditors	(14,264)	2,506	(11,758)
Creditors due after one year			
Other creditors	-	(2,506)	(2,506)
Net assets	(251)	(790)	(1,041)
	<u> </u>	<u> </u>	<u> </u>
Capital and reserves			
Profit and loss reserves	(24,251)	(790)	(25,041)
	<u> </u>	<u> </u>	<u> </u>

Changes to the profit and loss account

	As previously reported £'000	Adjustment £'000	As restated £'000
Period ended 4 October 2020			
Turnover	53,890	3,821	57,711
Cost of sales	(53,071)	(4,610)	(57,682)
Loss for the financial period	(6,748)	(790)	(7,538)
	<u> </u>	<u> </u>	<u> </u>