

Company Registration No. 11595800 (England and Wales)

**ONEBELOW RETAIL LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2022**

**ONEBELOW RETAIL LIMITED**

**COMPANY INFORMATION**

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**Directors** Christopher Edwards Jnr  
Christopher Edwards

**Company number** 11595800

**Registered office** Unit A Capitol Way  
Dodworth  
Barnsley  
South Yorkshire  
S75 3FG

**Auditor** BHP LLP  
New Chartford House  
Centurion Way  
Cleckheaton  
Bradford  
West Yorkshire  
BD19 3QB

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# ONEBELOW RETAIL LIMITED

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# ONEBELOW RETAIL LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 JANUARY 2022**

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The directors present the strategic report for the year ended 31 January 2022.

### **Business Review**

The company continues to operate as a discount retailer within England, Scotland, and Wales.

The period ending 31 January 2022 has proved to be another successful year for One Below, generating increased turnover with healthy profit margins by carefully managing the cost inflation experienced.

Sales were aided by the easing of coronavirus restrictions across the UK, which led to a return to normal trading conditions midway through the fiscal year. Fewer restrictions and increased customer confidence has led to greater footfall within our retail stores and has helped the business continue to grow. There were a further 9 outlets opened within the year, which gave rise to turnover of £9.6m. This increased the overall portfolio to 79 outlets, which generated £78.9m in turnover (2021: £64.3m) and created jobs for over 1,000 employees. Many of which are within areas of higher unemployment and low incomes.

To increase operational capacity to support the growing number of stores, the business opened a third chamber at our distribution centre from June 2021. This will help protect future operations enabling the business to service up to 125 outlets from a single hub. This helps to minimise both carbon footprint and costs.

The effects of the pandemic have been felt in other areas of the business, with the delta variant causing widespread disruption to global supply chains and container shortages. This has adversely impacted the supply of goods from East Asia. This has led to unprecedented inflation in the costs of shipping, which has increased by as much as 600% during the year.

Distribution costs increased in the year due to supply chain issues and a shortage of HGV drivers in the UK. This increased the costs of fuel and labour.

In response to significant inflation, the business has successfully rolled out a multi-price strategy. The aim is to offer an increased range of products whilst maintaining excellent value for money for our customers. To further facilitate this strategy, the business is undergoing a rebrand from One Below to One Beyond.

# ONEBELOW RETAIL LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

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### Principal Risks and Uncertainties

#### **Economic**

The principal risk facing the company is managing the impact of rising costs in a highly competitive environment. External factors and global events have increased inflation in the UK to a 40-year high.

Multi-pricing has been introduced across all stores, to give the business the flexibility needed to maintain excellent customer value whilst protecting from inflation. The rising costs are managed by utilising a wide range of suppliers, both domestically and overseas to ensure that products are sourced at the lowest possible cost. The performance of all products is closely monitored, reviewing any product lines that fail to perform in line with expectations.

The cost of shipping has been highly volatile over the last 18-months. Lower recent trends suggest that the market is now stabilising.

#### **Competition**

The retail industry including general merchandising is a highly competitive market. The company competes with numerous groups of retailers on a local and national level in different product areas. With the decline in high street footfall, it puts an extra emphasis on the importance of customer service, price and product selection.

#### **Operational**

To meet the ambitious growth target and plans of the company, the company needs to continue to open new stores in desirable locations as well as driving sales from the existing portfolio. In order to identify and secure new sites, the company needs to invest in the latest technology to ensure the site selection is based on robust demographic and economic data, as well as optimising the existing stores by taking into consideration local market conditions. Also by refining store layouts and merchandising and incentivising store management to ensure that remuneration is aligned with the success of the company.

#### **Stock / Inventory Management**

As with all retailer's stock shrinkage is an unavoidable cost of trading. However, with continued investment in personnel and new technology, the company is confident that the financial impact will continue to decrease. If this is not managed successfully there will be a negative impact on cash flow or levels of stock.

#### **Staff**

To be able to drive forward with the successful growth of the business, the company relies on being able to attract and keep highly qualified staff with a detailed knowledge of the discount retail sector at head office. At a store level the ability to keep and attract staff with a passion to deliver fantastic customer service helps achieve an increased average customer spend.

#### **Political**

The business will be impacted by any legal or regulation changes this can be from numerous ways such as an increase in the national minimum wage, VAT changes, product policy changes such as the impact on sugary and fatty foods and where they can be placed in stores. By actively monitoring these developments and changes these risks can be accounted for with minimal impact.

#### **Foreign exchange**

The company is exposed to foreign exchange rate risk. All stores are located within the UK and sales are conducted in sterling. However, a significant proportion of stock is purchased in US dollars, exposing the company to movements in the rate.

This is mitigated by constantly reviewing currency markets, using a combination of forward contracts and spot prices, to protect the business from extreme fluctuations.

#### **Future**

The business will continue with its growth plans to open more stores, ensuring that the store is the right fit to deliver profitability to our current portfolio. The continued review of product offering, as well as investing in new technology and staff to help meet any new challenges will ensure the business can continue to grow.

# ONEBELOW RETAIL LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 JANUARY 2022**

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### **Strategic Aims**

The company's strategy is to create great value for its customers, achieving this by competitive low prices, product quality, wide variety, and innovation.

The company continues to monitor the current store portfolio, with a target of improving footfall and increasing the average transaction per customer. This will be achieved by continuously improving the customer experience and product range.

### **Key Performance Indicators**

During the year, the key performance indicators were:

- Stores – 2022: 79 (2021: 70). The business continually reviews its store portfolio, adding new stores on a quality over quantity basis whilst scrutinising existing stores to ensure that they are not underperforming.
- Turnover –2022: £79.3m (2021: £64.6m). Year on year growth in sales of 23%, which increased due to higher customer footfall and stores numbers.

### **s172 statement**

As the Board of Onebelow Retail Limited, we have a legal responsibility under section 172 of the Companies Act 2006 to act in the way we consider to be most likely to promote the company's success for the benefit of its members as a whole, and to have regard to the long-term effect of our decisions on the company and its stakeholders. This statement addresses the ways in which we as a Board carry out this responsibility.

### **Promoting the company's success for its members**

Onebelow Retail Limited started trading in March 2019. We aim to create great value for its customers daily, achieving this by low prices, product quality, variety and Innovation. The company continues to monitor the current store portfolio, with a target of improving the number of customers in store and increasing the average transaction per customer when they are in store.

### **Engaging with stakeholders**

Our key stakeholders, and the ways in which we engage with them, are as follows:

#### **Our employees**

Our employees are vital to the successful running of the business, through their dedication, experience and skill. In order to support this, the company offers ongoing training and routinely updates its employees regarding best business practices.

The business is fully committed as an equal opportunities employer and makes every effort to ensure that it has a diverse workforce, with a zero tolerance approach to any form of discrimination.

#### **Our customers and suppliers**

Customer satisfaction is essential to the success of One Below. To support this, the company has a vastly experienced buying team that is able to source a wide range of high quality products at affordable prices, ensuring the customer receives good value for money.

The company directly trades with responsible, accredited suppliers. Any own brand goods are subject to rigorous factory testing to ensure that the products are in line with the quality required.

#### **Our community**

The business works closely with a local charity, which provides support and investment in research to help children living with cancer. One Below has donation boxes at all stores, which is passed directly to the charity, and also donates excess stock.

The company has provided jobs to over 1,000 members of staff. Many of our stores are located in socially deprived areas, giving employment opportunities where they will not otherwise exist.

## ONEBELOW RETAIL LIMITED

### STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 JANUARY 2022**

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#### ***Environment***

The business recognises that it has an obligation to minimise its impact on the environment. The transport fleet has been recently replaced with new, fuel efficient, Ultra Low Emission Zone compliant vehicles. Distribution routes are reviewed to ensure that each vehicle maximises its load, reducing overall mileage in delivering to stores.

The main source of electricity consumption is in-store lighting. Consumption is routinely monitored, to ensure that it is as low as possible. Any stores using more energy than expected is thoroughly investigated, and changes made where necessary such as upgrading the lighting to energy efficient LEDs, fitting auto sensor lighting and changes to store practices.

As a business, we are committed to having a more sustainable supply chain. We are working closely with our suppliers to reduce the use of plastic packaging for our products. Alternative packaging is being introduced wherever possible and is constantly monitored.

On behalf of the board

Christopher Edwards

**Director**

6 October 2022

# ONEBELOW RETAIL LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 JANUARY 2022

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The directors present their annual report and financial statements for the year ended 31 January 2022.

#### **Principal activities**

The principal activity of the company continued to be that of retail.

#### **Results and dividends**

The results for the year are set out on page 12.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### **Directors**

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

Christopher Edwards Jnr  
Christopher Edwards

#### **Qualifying third party indemnity provisions**

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

#### **Financial instruments**

##### ***Treasury operations and Financial instruments***

The company operates a treasury function which is responsible for managing the liquidity, interest and foreign currency risks associated with the company's activities.

The company's principal financial instruments include derivative financial instruments, the purpose of which is to manage currency risks and interest rate risks arising from the company's activities, and bank overdrafts, loans and corporate bonds, the main purpose of which is to raise finance for the company's operations. In addition, the company has various other financial assets and liabilities such as trade debtors and trade creditors arising directly from its operations.

#### ***Liquidity risk***

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

#### ***Foreign currency risk***

The company's principal foreign currency exposures arise from trading with overseas companies. Company policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling. This hedging activity involves the use of foreign exchange forward contracts.

#### ***Credit risk***

Investments of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfil credit rating criteria approved by the Board.

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.



# ONEBELOW RETAIL LIMITED

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

### Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

### Employee involvement

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

### Auditor

BHP LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

### Energy and carbon report

The company set out below their energy consumption and emissions for the financial year.

	2022 kWh	2021 kWh
<i>Energy consumption</i>		
Aggregate of energy consumption in the year	8,008,000	3,793,849
<i>Emissions of CO2 equivalent</i>		2022 metric tonnes
Scope 1 - direct emissions		
- Gas combustion		17.00
- Fuel consumed for owned transport		657.00
		674.00
Scope 2 - indirect emissions		
- Electricity purchased		1,085.00
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the		4.00
Total gross emissions		1,763.00
<i>Intensity ratio</i>		
Tonnes of CO2e per Employee		1.7

### Quantification and reporting methodology

We have followed the 2020 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 UK Government's Conversion Factors for Company Reporting.

## ONEBELOW RETAIL LIMITED

### DIRECTORS' REPORT (CONTINUED)

#### FOR THE YEAR ENDED 31 JANUARY 2022

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##### *Intensity measurement*

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO<sub>2</sub>e per employee, the recommended ratio for the sector.

##### *Measures taken to improve energy efficiency*

The main source of carbon emissions within the business is the use of electricity for store lighting, air-conditioning and refrigeration. Prior to opening a new store, the lighting is thoroughly evaluated. Inefficient fittings are routinely upgraded to LED to reduce energy consumption. Auto sensors are installed to minimise electricity usage.

The company monitors electricity usage across all stores on a monthly basis, reviewing any store using higher rates than expected. Using the HHD, trends on consumption are evaluated, changing store practices and infrastructure where required.

The transport fleet has been upgraded to Ultra Low Emission Zone compliant vehicles. This will prevent disruption to the business' supply chain, but also reduce the carbon footprint for each delivery due to the increase fuel efficiency.

##### **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

Christopher Edwards

**Director**

6 October 2022

# **ONEBELOW RETAIL LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 JANUARY 2022***

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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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

The directors are responsible for the maintenance and integrity of the company website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# ONEBELOW RETAIL LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF ONEBELOW RETAIL LIMITED

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#### Opinion

We have audited the financial statements of Onebelow Retail Limited (the 'company') for the year ended 31 January 2022 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 31 January 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *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.

# ONEBELOW RETAIL LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ONEBELOW RETAIL LIMITED

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### 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 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.

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that 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.

We focussed on laws and regulations, relevant to the company, which could give rise to a material misstatement in the financial statements. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management, review of clients operation of controls within the year, in particular, cash and stock controls and review of expenses such as legal costs. There are inherent limitations in the audit procedures described 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.

As part of our audit, we addressed the risk of management override of internal controls, including testing of journals and review of nominal ledger. We evaluated whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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.

## **ONEBELOW RETAIL LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ONEBELOW RETAIL LIMITED**

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#### **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.

**Nigel Bullas (Senior Statutory Auditor)**  
**For and on behalf of BHP LLP**

6 October 2022

**Chartered Accountants**  
**Statutory Auditor**

New Chartford House  
Centurion Way  
Cleckheaton  
Bradford  
West Yorkshire  
BD19 3QB

# ONEBELOW RETAIL LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 JANUARY 2022

	Notes	2022 £	2021 £
Turnover	3	79,323,513	64,587,556
Cost of sales		(65,270,651)	(54,054,311)
Gross profit		14,052,862	10,533,245
Administrative expenses		(12,258,358)	(8,793,535)
Other operating income		574,328	840,810
Operating profit	4	2,368,832	2,580,520
Interest payable and similar expenses	7	(43,830)	(45,068)
Profit before taxation		2,325,002	2,535,452
Tax on profit	8	(489,863)	(662,280)
Profit for the financial year		1,835,139	1,873,172

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# ONEBELOW RETAIL LIMITED

## BALANCE SHEET

AS AT 31 JANUARY 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	9		2,638,786		2,091,206
<b>Current assets</b>					
Stocks	10	12,923,382		8,684,759	
Debtors	11	2,506,080		1,170,530	
Cash at bank and in hand		2,362,311		3,032,079	
		<u>17,791,773</u>		<u>12,887,368</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(15,201,255)</u>		<u>(11,612,005)</u>	
<b>Net current assets</b>			<u>2,590,518</u>		<u>1,275,363</u>
<b>Total assets less current liabilities</b>			<u>5,229,304</u>		<u>3,366,569</u>
<b>Creditors: amounts falling due after more than one year</b>	13		<u>(1,909,995)</u>		<u>(2,119,274)</u>
<b>Provisions for liabilities</b>					
Deferred tax liability	14	<u>399,675</u>		<u>162,800</u>	
			<u>(399,675)</u>		<u>(162,800)</u>
<b>Net assets</b>			<u><u>2,919,634</u></u>		<u><u>1,084,495</u></u>
<b>Capital and reserves</b>					
Called up share capital	16		100		100
Profit and loss reserves			<u>2,919,534</u>		<u>1,084,395</u>
<b>Total equity</b>			<u><u>2,919,634</u></u>		<u><u>1,084,495</u></u>

The financial statements were approved by the board of directors and authorised for issue on 6 October 2022 and are signed on its behalf by:

Christopher Edwards Jnr  
Director

Company Registration No. 11595800



# ONEBELOW RETAIL LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JANUARY 2022

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 February 2020	100	(788,777)	(788,677)
<b>Year ended 31 January 2021:</b>			
Profit and total comprehensive income for the year	-	1,873,172	1,873,172
Balance at 31 January 2021	100	1,084,395	1,084,495
<b>Year ended 31 January 2022:</b>			
Profit and total comprehensive income for the year	-	1,835,139	1,835,139
Balance at 31 January 2022	100	2,919,534	2,919,634

# ONEBELOW RETAIL LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JANUARY 2022

		2022		2021	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	20	1,308,889		2,488,782	
Interest paid		(43,830)		(45,068)	
Income taxes paid		(142,488)		-	
<b>Net cash inflow from operating activities</b>		<u>1,122,571</u>		<u>2,443,714</u>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		<u>(1,502,339)</u>		<u>(447,084)</u>	
<b>Net cash used in investing activities</b>		(1,502,339)		(447,084)	
<b>Financing activities</b>					
Repayment of borrowings		<u>(290,000)</u>		<u>-</u>	
<b>Net cash used in financing activities</b>		<u>(290,000)</u>		<u>-</u>	
<b>Net (decrease)/increase in cash and cash equivalents</b>		(669,768)		1,996,630	
Cash and cash equivalents at beginning of year		<u>3,032,079</u>		<u>1,035,449</u>	
<b>Cash and cash equivalents at end of year</b>		<u><u>2,362,311</u></u>		<u><u>3,032,079</u></u>	

# ONEBELOW RETAIL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2022

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### 1 Accounting policies

#### Company information

Onebelow Retail Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit A Capitol Way, Dodworth, Barnsley, South Yorkshire, S75 3FG.

#### 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 £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. 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.

#### 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.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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 dispatch 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 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.

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 land and buildings	20% straight line
Plant and equipment	20% straight line
Fixtures and fittings	20% straight line
Computers	20% 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.

# ONEBELOW RETAIL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

### 1 Accounting policies

(Continued)

#### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

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.

#### 1.7 Cash and cash equivalents

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.

#### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 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.

# ONEBELOW RETAIL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

### 1 Accounting policies

(Continued)

#### **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.

#### **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.

# ONEBELOW RETAIL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

### 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.

### 1.9 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.

### 1.10 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.

# ONEBELOW RETAIL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

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### 1 Accounting policies

(Continued)

#### 1.11 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.

#### 1.12 Retirement benefits

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

#### 1.13 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.

#### 1.14 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.

Grants received in relation to the government Coronavirus Job Retention Scheme (Furlough) have been recognised within other operating income. The grant is accounted for on the accruals basis once the related payroll return has been submitted.

#### 1.15 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.

# ONEBELOW RETAIL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

### 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.

#### Stock

Management estimates the net realisable values of stock, taking into account the most reliable evidence available at each reporting date. Stock is calculated by performing a roll back of actual value counted at a later date. The directors must ascertain that the stock value have been properly calculated and reflect the true recoverable stock value as at the period end.

### 3 Turnover and other revenue

	2022	2021
	£	£
Turnover analysed by class of business		
Store income	78,883,427	64,246,947
Other income	440,086	340,609
	<u>79,323,513</u>	<u>64,587,556</u>

	2022	2021
	£	£
Turnover analysed by geographical market		
United Kingdom	<u>79,323,513</u>	<u>64,587,556</u>

	2022	2021
	£	£
Other significant revenue		
Grants received	<u>471,361</u>	<u>738,644</u>

### 4 Operating profit

	2022	2021
	£	£
Operating profit 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	185,016	57,988
Government grants	(471,361)	(738,644)
Fees payable to the company's auditor for the audit of the company's financial statements	33,800	26,500
Depreciation of owned tangible fixed assets	852,254	366,191
Loss on disposal of tangible fixed assets	102,505	32,362
Operating lease charges	<u>4,870,037</u>	<u>4,200,153</u>



# ONEBELOW RETAIL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

### 5 Employees

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

	2022 Number	2021 Number
Stores	938	814
Warehouse	78	51
Head office	22	16
Total	1,038	881

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	14,163,429	11,006,803
Social security costs	877,806	680,396
Pension costs	180,087	162,776
	15,221,322	11,849,975

### 6 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	94,160	120,840

### 7 Interest payable and similar expenses

	2022 £	2021 £
Other finance costs:		
Other interest	43,830	45,068

# ONEBELOW RETAIL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

### 8 Taxation

	2022 £	2021 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	276,500	166,000
Adjustments in respect of prior periods	(23,512)	-
Total current tax	252,988	166,000
<b>Deferred tax</b>		
Origination and reversal of timing differences	236,875	496,280
Total tax charge	489,863	662,280

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

	2022 £	2021 £
Profit before taxation	2,325,002	2,535,452
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	441,750	481,736
Tax effect of expenses that are not deductible in determining taxable profit	1,714	10,419
Tax effect of income not taxable in determining taxable profit	(11,549)	(9,993)
Other permanent differences	(24,704)	34,110
Under/(over) provided in prior years	(23,512)	-
Deferred tax not recognised	9,717	145,639
Other	71	369
Remeasurement of deferred tax for changes in tax rates	96,376	-
Taxation charge for the year	489,863	662,280

# ONEBELOW RETAIL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

### 9 Tangible fixed assets

	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Computers	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 February 2021	455,189	585,353	1,388,713	396,725	2,825,980
Additions	54,292	457,326	878,040	112,681	1,502,339
Disposals	(44,882)	-	(120,777)	-	(165,659)
At 31 January 2022	464,599	1,042,679	2,145,976	509,406	4,162,660
<b>Depreciation and impairment</b>					
At 1 February 2021	148,186	206,576	248,531	131,481	734,774
Depreciation charged in the year	91,890	190,675	478,078	91,611	852,254
Eliminated in respect of disposals	(18,205)	-	(44,949)	-	(63,154)
At 31 January 2022	221,871	397,251	681,660	223,092	1,523,874
<b>Carrying amount</b>					
At 31 January 2022	242,728	645,428	1,464,316	286,314	2,638,786
At 31 January 2021	307,003	378,777	1,140,182	265,244	2,091,206

### 10 Stocks

	2022 £	2021 £
Finished goods and goods for resale	12,923,382	8,684,759

### 11 Debtors

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Trade debtors	1,025,593	338,852
Other debtors	165,622	165,622
Prepayments and accrued income	1,314,865	666,056
	2,506,080	1,170,530

# ONEBELOW RETAIL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

### 12 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	10,605,927	6,116,861
Corporation tax	276,500	166,000
Other taxation and social security	328,634	1,587,640
Other creditors	2,440,563	2,505,474
Accruals and deferred income	1,549,631	1,236,030
	<u>15,201,255</u>	<u>11,612,005</u>

The directors loan account, included within other creditors, is secured by a fixed and floating charge.

### 13 Creditors: amounts falling due after more than one year

	2022 £	2021 £
Other creditors	<u>1,909,995</u>	<u>2,119,274</u>

### 14 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2022 £	Liabilities 2021 £
<b>Balances:</b>		
Accelerated capital allowances	<u>399,675</u>	<u>162,800</u>
<b>Movements in the year:</b>		2022 £
Liability at 1 February 2021		162,800
Charge to profit or loss		<u>236,875</u>
Liability at 31 January 2022		<u>399,675</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JANUARY 2022**

	2022	2021
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	180,087	162,776

## 16 Share capital

	2022	2021	2022	2021
	Number	Number	£	£
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary of £1 each	100	100	100	100

## Lessee

	2022 £	2021 £
Within one year	4,345,270	4,253,555
Between two and five years	9,949,461	9,569,766
In over five years	3,390,379	3,151,294
	<u>17,685,110</u>	<u>16,974,615</u>

### Transactions with related parties

	Sales		Purchases	
	2022	2021	2022	2021
	£	£	£	£
Other related parties	2,575,009	1,540,431	18,000,843	10,723,983

	2022	2021
Amounts due to related parties	£	£
Other related parties	4,770,461	808,032

# ONEBELOW RETAIL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2022

### 18 Related party transactions (Continued)

The following amounts were outstanding at the reporting end date:

	2022	2021
	£	£
<b>Amounts due from related parties</b>		
Other related parties	859,088	95,413
	<u>859,088</u>	<u>95,413</u>

### 19 Directors' transactions

The amount owed to Christopher Edwards at the balance sheet date was £3,136,654 (2021: £4,469,988).

### 20 Cash generated from operations

	2022	2021
	£	£
Profit for the year after tax	1,835,139	1,873,172
<b>Adjustments for:</b>		
Taxation charged	489,863	662,280
Finance costs	43,830	45,068
Loss on disposal of tangible fixed assets	102,505	32,362
Depreciation and impairment of tangible fixed assets	852,254	366,191
<b>Movements in working capital:</b>		
Increase in stocks	(4,238,623)	(280,651)
(Increase)/decrease in debtors	(1,335,550)	1,121,655
Increase/(decrease) in creditors	3,559,471	(1,331,295)
<b>Cash generated from operations</b>	<u>1,308,889</u>	<u>2,488,782</u>

### 21 Analysis of changes in net funds

	1 February 2021	Cash flows	31 January 2022
	£	£	£
Cash at bank and in hand	3,032,079	(669,768)	2,362,311
	<u>3,032,079</u>	<u>(669,768)</u>	<u>2,362,311</u>

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.