

THE VILLAGE HABERDASHERY LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021

THE VILLAGE HABERDASHERY LIMITED

BALANCE SHEET
AS AT 31 JANUARY 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	5	14,784	26,174
		<u>14,784</u>	<u>26,174</u>
Current assets			
Stocks		47,843	48,953
Debtors: amounts falling due within one year	6	24,058	23,784
Bank and cash balances		47,806	4,106
		<u>119,707</u>	<u>76,843</u>
Creditors: amounts falling due within one year	7	(125,888)	(176,198)
Net current liabilities		<u>(6,181)</u>	<u>(99,355)</u>
Total assets less current liabilities		<u>8,603</u>	<u>(73,181)</u>
Creditors: amounts falling due after more than one year	8	(50,000)	(15,734)
Net liabilities		<u>(41,397)</u>	<u>(88,915)</u>
Capital and reserves			
Called up share capital	9	117	117
Share premium account		98,182	98,182
Profit and loss account		(139,696)	(187,214)
		<u>(41,397)</u>	<u>(88,915)</u>

THE VILLAGE HABERDASHERY LIMITED**BALANCE SHEET (CONTINUED)
AS AT 31 JANUARY 2021**

The director considers that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The director acknowledges her responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the the small companies' regime within Part 15 of the Companies Act 2006 and in accordance with Section 1A of Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

The company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....
Anneliese Gloth Klein Barker

Director

Date: 17 August 2021

The notes on pages 3 to 11 form part of these financial statements.

THE VILLAGE HABERDASHERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2021

1. General information

The Village Haberdashery Limited is a private company limited by shares incorporated in England and

Wales. The registered office is Palladium House, 1-4 Argyll Street, London, W1F 7LD.

The financial statements are prepared in Sterling (£).

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland ('FRS 102') and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the

company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

During the company's financial year the country was in the midst of a global Covid-19 health crisis.

The director has assessed a period of 12 months from the date of approving the financial statements with regard to the appropriateness of the going concern assumption in preparing the financial statements. The company has continued to trade and the director has formed the view that it is appropriate to prepare the accounts on a going concern basis.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP. Monetary amounts in these financial statements are rounded to the nearest £.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

THE VILLAGE HABERDASHERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2021

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Operating leases: the Company as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the profit and loss account in the same period as the related expenditure.

2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

THE VILLAGE HABERDASHERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2021

2. Accounting policies (continued)

2.8 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.10 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.11 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on the following bases.

Depreciation is provided on the following basis:

Leasehold improvements	-	Over 5 years
Fixtures and fittings	-	15% Reducing balance
Computer equipment	-	Over 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit and loss account.

THE VILLAGE HABERDASHERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2021

2. Accounting policies (continued)

2.13 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.14 Financial instruments

The Company has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes party to the contractual provisions of the instrument.

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.

Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances, intercompany working capital balances, and intercompany financing are initially recognised at transaction price, 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 for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

Financial liabilities

Basic financial liabilities, including trade and other 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 for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

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

Impairment of financial assets

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount the company would receive for the asset if it were to be sold at the reporting date.

THE VILLAGE HABERDASHERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2021

2. Accounting policies (continued)

2.14 Financial instruments (continued)

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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 and financial liabilities

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an 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.

3. Employees

The average monthly number of employees, including directors, during the year was 6 (2020 - 8).

THE VILLAGE HABERDASHERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2021

4. Intangible assets

	Development expenditure £
Cost	
At 1 February 2020	3,450
At 31 January 2021	3,450
Amortisation	
At 1 February 2020	3,450
At 31 January 2021	3,450
Net book value	
At 31 January 2021	-
At 31 January 2020	-

THE VILLAGE HABERDASHERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2021

5. Tangible fixed assets

	Long-term leasehold property £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 February 2020	53,091	19,912	73,003
Additions	-	440	440
At 31 January 2021	53,091	20,352	73,443
Depreciation			
At 1 February 2020	32,612	14,217	46,829
Charge for the year on owned assets	10,618	1,212	11,830
At 31 January 2021	43,230	15,429	58,659
Net book value			
At 31 January 2021	9,861	4,923	14,784
At 31 January 2020	20,479	5,695	26,174

The net book value of land and buildings may be further analysed as follows:

	2021 £	2020 £
Long leasehold	9,861	20,479
	<u>9,861</u>	<u>20,479</u>

THE VILLAGE HABERDASHERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2021

6. Debtors

	2021 £	2020 £
Trade debtors	-	62
Other debtors	18,315	16,500
Prepayments and accrued income	5,743	7,222
	<u>24,058</u>	<u>23,784</u>

7. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank overdrafts	4,733	19,444
Other loans	12,500	12,501
Trade creditors	80,019	70,860
Other taxation and social security	16,738	4,969
Other creditors	911	24,614
Accruals and deferred income	10,987	43,810
	<u>125,888</u>	<u>176,198</u>

At the year end, loans included in the other creditors due within one year:

An amount of £12,500 (2020 - £12,500) owed to a connected party. The loan is provided interest free, is unsecured and is repayable on demand. There are no formal terms and conditions regarding repayments for the loan.

An amount of £50,000 (2020 - £nil) in relation to a loan made under the Bounce Back Loan Scheme, repayable over a 6 year period with no early repayment charges. This loan bears interest of 2.5% rate per annum charged on the outstanding balance. Under this loan scheme, the first 12 months of interest (5 of which fall within the current period) are covered by business interruption payments (BIP) made by the government on behalf of the company.

THE VILLAGE HABERDASHERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2021

8. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Bank loans	50,000	-
Other creditors	-	15,734
	<u>50,000</u>	<u>15,734</u>

Included in Bank Loans is an outstanding amount of £50,000 (2020 - £nil) due for repayment in later than 5 years. The loan has been made under the Bounce Back Loan Scheme.

The loan is repayable in full within a 6 year period with no early repayment charges. No repayments are required for the first 12 months (5 of which fall within the current period) of the loan.

This loan bears interest of 2.5% rate per annum charged on the outstanding balance. Under this loan scheme, the first 12 months of interest (5 of which fall within the current period) are covered by business interruption payments (BIP) made by the government on behalf of the company.

9. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
1,167,403 (2020 - 1,167,400) ordinary shares of £0.0001 each	<u>117</u>	<u>117</u>

10. Related party transactions

At the year end, an amount of £89 was owed to the company by the director (2020: the company owed to the director £15,734). The loan is provided interest free and is unsecured. There are no formal terms and conditions regarding repayment of the loan.

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.