

COMPANY REGISTRATION NUMBER: 10535440

123 RETAIL LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
29 January 2021

123 RETAIL LIMITED
FINANCIAL STATEMENTS

YEAR ENDED 29 JANUARY 2021

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123 RETAIL LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS

S A Buck
S J Pickering

REGISTERED OFFICE

34 Roundhay Road
Leeds
England
LS7 1AB

AUDITOR

Wine & Co
Chartered accountants & statutory auditor
20-22 Bridge End
Leeds
LS1 4DJ

123 RETAIL LIMITED

STRATEGIC REPORT

YEAR ENDED 29 JANUARY 2021

The directors present their Strategic Report for the year ended 29th January 2021.

PRINCIPAL ACTIVITIES

A premium, contemporary footwear and accessories brand that is design with purpose and crafted without compromise. Our aim is to deliver a high quality, premium women's footwear proposition that encapsulates sustainability, quality, and design. We design and develop 3 brands within the group: Moda in Pelle M By Moda Shoon All our products are designed exclusively in-house and unique to ourselves. Sustainability is at the core of our brands; we are working hard to develop our individual brand commitments to sustainability. We are a digital first brand, using our owned and operated Moda In Pelle website to driving a significant proportion of our revenues; we also use our digital channel to market and share content to our growing customer database.

BUSINESS REVIEW

Overview The economy has been impacted materially by the onset of COVID-19 during the financial year. Given these challenging market conditions, and subdued sentiment across the Fashion sector, revenue dropped to £13,466,638. Profits were £70,443. The economic landscape remains uncertain, with uncertainty towards inflation, a return to COVID-19 safety measures and long term 'consumer changes' to the fashion sector we operate within.

Routes to Market We operate a multi routes to market strategy within the UK, by focussing on this approach it allows us to have diversified revenue streams, and consequently manage the inherent risk being solely focussed on a single channel.

Digital We are focussing our group of brands towards a digital 'first' approach, our aim is to offer our customers a 'first class' experience across all our customer touchpoints, we are investing in our own website to ensure it keeps up with the ever-changing customer behaviours and our competitors web developments. We will look to accelerate our digital proposition; the teams will drive continuous improvements to optimise on site experience and support digital self-service. Furthermore, we will enhance the delivery and fulfilment solutions through our omni-channel capability.

Stores We will remain a multi-channel retailer with a limited number of standalone stores within the group, these will continue to play an important role in the success of our overall business. Opportunities to review and exit properties at the end of lease for tactical or strategic reasons are discussed regularly. We are proactively reviewing store opportunities, we remain open to new turnover deals, with limited (3 year) term exposure. As a result of COVID-19 stores were closed for a number of months in the year resulting in decreased sales. During store closures a number of staff were placed on Furlough with government support obtained.

Key Performance Indicators:

2021	2020
Number of UK stores	27 39
Digital revenue as a % of total	74% 45%
Website visits	8.31m 5.95m

Trading Partners Whilst there has been a consolidation in department store trading space across the UK High Street, we still remain present in established independent department stores in local UK affluent markets. Our wholesale partners have developed across the last two years, we now have a growing network and strong pipeline of new business in the UK.

People Our employees are at the heart of the business, we are fully committed to developing our talent, and acting in a responsible and supportive manner. Our brand values and vision statement are being developed at present, these will be part of brand statement in next year's account.

COVID-19 Moda in Pelle followed recommended Government guidance on Health and Safety and other matters surrounding the global pandemic. Whilst the business carried out a 'working from home' policy, due to sheer attitude, determination and focus, we maintained our high standards of delivering Women's premium contemporary footwear.

PRINCIPAL RISKS AND UNCERTAINTIES

Moda in Pelle has a well-established product offer, with a loyal customer base, which was performing well against its peers prior to the COVID-19 pandemic. We are of the opinion that the principal risk facing the business now is the pace of which customer shopping habits return as the world recovers from this pandemic. The company's operational exposure is to a variety of financial risks that include the effects of changes in foreign exchange rates, liquidity risk and interest rate risk. The company seeks to limit the adverse effect to the financial performance of the business.

This report was approved by the board of directors on 28 October 2021 and signed on behalf of the board by:

S A Buck

Director

Registered office:

34 Roundhay Road

Leeds

England

LS7 1AB

123 RETAIL LIMITED

DIRECTORS' REPORT

YEAR ENDED 29 JANUARY 2021

The directors present their report and the financial statements of the company for the year ended 29 January 2021

DIRECTORS

The directors who served the company during the year was as follows:

S A Buck

DIVIDENDS

The directors do not recommend the payment of a dividend.

FINANCIAL INSTRUMENTS

The company's principal financial instruments comprise bank balances, bank trade facilities, trade creditors, trade debtors, and loans to the company. The main purpose of these instruments is to raise funds for the company's operation and to finance the company's operations.

Due to the nature of the financial instruments used by the company there is no exposure to price risk. The company's approach to managing other risks applicable to the accounting instruments concerned is shown below.

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of bank trade facilities at floating rates of interest.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the strategic report, directors' 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 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 judgments 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. AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and - they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 28 October 2021 and signed on behalf of the board by:

S A Buck

Director

Registered office:

34 Roundhay Road

Leeds

England

LS7 1AB

123 RETAIL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 123 RETAIL LIMITED YEAR ENDED 29 JANUARY 2021

OPINION

We have audited the financial statements of 123 Retail Limited (the 'company') for the year ended 29 January 2021 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 29 January 2021 and of its profit for the year then ended; - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; - 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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the 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.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report. We have nothing to report in respect of the following matters in relation to which 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; or - the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

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: Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error. We consider that our audit procedures are designed and carried out to give a reasonable expectation that material misstatements resulting from fraud would be discovered. As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also: - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors. - Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern. - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. **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.

JEFFREY WINE

(Senior Statutory Auditor)

For and on behalf of

Wine & Co

Chartered accountants & statutory auditor

20-22 Bridge End

Leeds

LS1 4DJ

28 October 2021

123 RETAIL LIMITED

STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 29 JANUARY 2021

		Year to 29 Jan 21	Period from 31 Jan 19 to 29 Jan 20
	Note	£	£
TURNOVER	4	13,466,638	15,891,804
Cost of sales		(8,783,610)	(10,890,010)
GROSS PROFIT		4,683,028	5,001,794
Distribution costs		(1,110,072)	(932,735)
Administrative expenses		(5,527,536)	(5,787,970)
Other operating income	5	2,037,938	2,193,541
OPERATING PROFIT	6	83,358	474,630
Interest payable and similar expenses	9	(12,915)	(25,748)
PROFIT BEFORE TAXATION		70,443	448,882
Tax on profit	10	(17,937)	(83,534)
PROFIT FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME		52,506	365,348

All the activities of the company are from continuing operations.

123 RETAIL LIMITED
STATEMENT OF FINANCIAL POSITION

29 January 2021

		2021		2020	
	Note	£	£	£	£
FIXED ASSETS					
Intangible assets	11		60,000		70,000
Tangible assets	12		396,314		308,871
			-----		-----
			456,314		378,871
CURRENT ASSETS					
Stocks	13	2,327,175		2,728,758	
Debtors	14	2,348,272		1,714,040	
Cash at bank and in hand		516,766		273,861	
		-----		-----	
		5,192,213		4,716,659	
CREDITORS: amounts falling due within one year	15	(4,297,786)		(3,838,756)	
		-----		-----	
NET CURRENT ASSETS			894,427		877,903
			-----		-----
TOTAL ASSETS LESS CURRENT LIABILITIES			1,350,741		1,256,774
CREDITORS: amounts falling due after more than one year	16		(522,978)		(500,317)
PROVISIONS	18		(55,500)		(36,700)
			-----		-----
NET ASSETS			772,263		719,757
			-----		-----
CAPITAL AND RESERVES					
Called up share capital	22		100		100
Profit and loss account			772,163		719,657
			-----		-----
SHAREHOLDERS FUNDS			772,263		719,757
			-----		-----

These financial statements were approved by the board of directors and authorised for issue on 28 October 2021 , and are signed on behalf of the board by:

S A Buck

Director

Company registration number: 10535440

123 RETAIL LIMITED

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 29 JANUARY 2021

	Called up share capital	Profit and loss account	Total
	£	£	£
AT 31 JANUARY 2019	1	354,309	354,310
Profit for the year		365,348	365,348
	---	-----	-----
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	—	365,348	365,348
Issue of shares	99	—	99
	---	-----	-----
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS	99	—	99
AT 29 JANUARY 2020	100	719,657	719,757
Profit for the year		52,506	52,506
	---	-----	-----
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	—	52,506	52,506
	---	-----	-----
AT 29 JANUARY 2021	100	772,163	772,263
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123 RETAIL LIMITED

STATEMENT OF CASH FLOWS

YEAR ENDED 29 JANUARY 2021

	2021	2020
	£	£
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial year	52,506	365,348
<i>Adjustments for:</i>		
Depreciation of tangible assets	180,408	116,040
Amortisation of intangible assets	10,000	10,000
Government grant income	(1,029,439)	—
Interest payable and similar expenses	12,915	25,748
Gains on disposal of tangible assets	(450)	(2,133)
Tax on profit	17,937	83,534
Accrued income	(13,722)	(121,720)
<i>Changes in:</i>		
Stocks	401,583	(906,731)
Trade and other debtors	(634,232)	55,776
Trade and other creditors	1,279,487	148,690
Cash generated from operations	276,993	(225,448)
Interest paid	(12,915)	(25,748)
Tax received/(paid)	8,633	(24,644)
Net cash from/(used in) operating activities	272,711	(275,840)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible assets	(267,851)	(187,571)
Proceeds from sale of tangible assets	450	2,550
Net cash used in investing activities	(267,401)	(185,021)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of ordinary shares	—	99
Proceeds from borrowings	(3,118)	439,586
Proceeds from loans from group undertakings	(815,658)	(121,425)
Government grant income	1,029,439	—
Payments of finance lease liabilities	26,932	—
Net cash from financing activities	237,595	318,260
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	242,905	(142,601)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	273,861	416,462
CASH AND CASH EQUIVALENTS AT END OF YEAR	516,766	273,861

123 RETAIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 29 JANUARY 2021

1. GENERAL INFORMATION

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 34 Roundhay Road, Leeds, LS7 1AB, England.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the historical cost basis. The financial statements are prepared in sterling, which is the functional currency of the entity.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

Turnover comprises revenue recognised by the company in respect of goods supplied, exclusive of Value Added Tax.

Income tax

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in respect of all timing differences at the reporting date.

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business. Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill - 10% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold Property	-	25% straight line
Improvements		
Website	-	33% straight line
Fixtures and fittings	-	25% straight line
Motor vehicles	-	33% straight line

Office Equipment

- 25% straight line

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset. Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received. Government grants are recognised using the accrual model and the performance model. Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Financial instruments

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 entity after deducting all of its financial liabilities.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

4. TURNOVER

Turnover arises from:

	Year to 29 Jan 21	Period from 31 Jan 19 to 29 Jan 20
	£	£
Sale of goods	13,466,638	15,891,804

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. OTHER OPERATING INCOME

	Year to 29 Jan 21	Period from 31 Jan 19 to 29 Jan 20
	£	£
Commission receivable	33,000	—
Government grant income	1,029,439	—
Insurance claims receivable	36,890	96,845
Other operating income	938,609	2,096,696
	2,037,938	2,193,541

6. OPERATING PROFIT

Operating profit or loss is stated after charging/crediting:

	Year to 29 Jan 21	Period from 31 Jan 19 to 29 Jan 20
	£	£
Amortisation of intangible assets	10,000	10,000
Depreciation of tangible assets	180,408	116,040
Gains on disposal of tangible assets	(450)	(2,133)
Impairment of trade debtors	—	106,373

7. AUDITOR'S REMUNERATION

	Year to 29 Jan 21	Period from 31 Jan 19 to 29 Jan 20
	£	£
Fees payable for the audit of the financial statements	8,500	7,500

8. STAFF COSTS

The average number of persons employed by the company during the year, including the directors, amounted to:

	2021 No.	2020 No.
Production staff	70	90
Distribution staff	22	22
Administrative staff	48	46
	140	158

The aggregate payroll costs incurred during the year, relating to the above, were:

	Year to 29 Jan 21	Period from 31 Jan 19 to 29 Jan 20
	£	£
Wages and salaries	2,744,309	2,800,975
Social security costs	226,816	229,598
Other pension costs	54,011	41,876
	<u>3,025,136</u>	<u>3,072,449</u>

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	Year to 29 Jan 21	Period from 31 Jan 19 to 29 Jan 20
	£	£
Interest on obligations under finance leases and hire purchase contracts	470	—
Other interest payable	12,445	25,748
	<u>12,915</u>	<u>25,748</u>

10. TAX ON PROFIT

Major components of tax expense

	Year to 29 Jan 21	Period from 31 Jan 19 to 29 Jan 20
	£	£
Current tax:		
UK current tax expense	—	78,120
Adjustments in respect of prior periods	—	(8,316)
Corporation tax refund	(863)	—
Total current tax	<u>(863)</u>	<u>69,804</u>
Deferred tax:		
Origination and reversal of timing differences	18,800	13,730
Tax on profit	<u>17,937</u>	<u>83,534</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2020: lower than) the standard rate of corporation tax in the UK of 19 % (2020: 19 %).

	Year to 29 Jan 21	Period from 31 Jan 19 to 29 Jan 20
	£	£
Profit on ordinary activities before taxation	70,443	448,882
Profit on ordinary activities by rate of tax	13,384	85,288
Adjustment to tax charge in respect of prior periods	—	(8,316)
Effect of expenses not deductible for tax purposes	837	4,434
Effect of capital allowances and depreciation	<u>(15,084)</u>	<u>(11,000)</u>

Group loss relief	—	(602)
	-----	-----
Tax on profit	(863)	69,804
	-----	-----

11. INTANGIBLE ASSETS

	Goodwill
	£
Cost	
At 30 January 2020 and 29 January 2021	100,000

Amortisation	
At 30 January 2020	30,000
Charge for the year	10,000

At 29 January 2021	40,000

Carrying amount	
At 29 January 2021	60,000

At 29 January 2020	70,000

12. TANGIBLE ASSETS

	Leasehold Property Improve- ments	Website	Fixtures and fittings	Motor vehicles	Office Equipment	Total
	£	£	£	£	£	£
Cost						
At 30 Jan 2020	25,700	7,995	447,713	3,500	90,922	575,830
Additions	14,863	—	198,377	35,337	19,274	267,851
	-----	-----	-----	-----	-----	-----
At 29 Jan 2021	40,563	7,995	646,090	38,837	110,196	843,681
	-----	-----	-----	-----	-----	-----
Depreciation						
At 30 Jan 2020	761	7,107	223,322	3,028	32,741	266,959
Charge for the year	10,141	888	136,695	6,559	26,125	180,408
	-----	-----	-----	-----	-----	-----
At 29 Jan 2021	10,902	7,995	360,017	9,587	58,866	447,367
	-----	-----	-----	-----	-----	-----
Carrying amount						
At 29 Jan 2021	29,661	—	286,073	29,250	51,330	396,314
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At 29 Jan 2020	24,939	888	224,391	472	58,181	308,871
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13. STOCKS

	2021	2020
	£	£
Finished goods and goods for resale	2,327,175	2,728,758
	-----	-----

14. DEBTORS

	2021	2020
	£	£
Trade debtors	41,645	20,450
Amounts owed by group undertakings	1,611,619	1,092,233
Prepayments and accrued income	214,465	175,417
Other debtors	480,543	425,940
	-----	-----
	2,348,272	1,714,040
	-----	-----

15. CREDITORS: amounts falling due within one year

	2021	2020
	£	£
Bank loans and overdrafts	436,468	439,586
Trade creditors	1,790,004	1,214,104
Amounts owed to group undertakings	542,047	1,357,705
Accruals and deferred income	111,968	125,690
Corporation tax	77,257	69,487
Social security and other taxes	1,248,510	184,457
Obligations under finance leases and hire purchase contracts	4,271	—
Amounts due to related companies	29,732	3,900
Other creditors	57,529	443,827
	-----	-----
	4,297,786	3,838,756
	-----	-----

The bank loans and overdrafts totalling £436,468 (2020: £439,586) falling due within one year are secured by the company.

16. CREDITORS: amounts falling due after more than one year

	2021	2020
	£	£
Obligations under finance leases and hire purchase contracts	22,661	—
Other creditors	500,317	500,317
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	522,978	500,317
	-----	-----

17. FINANCE LEASES AND HIRE PURCHASE CONTRACTS

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2021	2020
	£	£
Not later than 1 year	4,271	—
Later than 1 year and not later than 5 years	22,661	—
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	26,932	—
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18. PROVISIONS

	Deferred tax (note 19) £
At 30 January 2020	36,700
Additions	18,800

At 29 January 2021	55,500

19. DEFERRED TAX

The deferred tax included in the statement of financial position is as follows:

	2021	2020
	£	£
Included in provisions (note 18)	55,500	36,700
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The deferred tax account consists of the tax effect of timing differences in respect of:

	2021	2020
	£	£
Accelerated capital allowances	55,500	36,700
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20. EMPLOYEE BENEFITS

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £ 54,011 (2020: £ 41,876).

21. GOVERNMENT GRANTS

The amounts recognised in the financial statements for government grants are as follows:

	2021	2020
	£	£
Recognised in other operating income:		
Government grants recognised directly in income	1,029,439	—
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22. CALLED UP SHARE CAPITAL

Issued, called up and fully paid

	2021		2020	
	No.	£	No.	£
Ordinary shares of £ 1 each	100	100	100	100
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23. ANALYSIS OF CHANGES IN NET DEBT

	At 30 Jan 2020	Cash flows	At 29 Jan 2021
	£	£	£
Cash at bank and in hand	273,861	242,905	516,766
Debt due within one year	(1,797,291)	814,505	(982,786)
Debt due after one year	—	(22,661)	(22,661)
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	(1,523,430)	1,034,749	(488,681)
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24. RELATED PARTY TRANSACTIONS

Included in other creditors are working capital loans totalling £500,317 (2020: £900,317) from D. Buck, a close family member of the director S. A. Buck.

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.