

**VALUE HOUSE STORES LIMITED**

**FINANCIAL STATEMENTS**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**FOR THE PERIOD ENDED 29 JULY 2018**

STATEMENT OF FINANCIAL POSITION  
AS AT 29 JULY 2018

		29 July 2018 £	30 July 2017 £
	Note		
<b>FIXED ASSETS</b>			
Tangible assets	4	26,480	37,100
		<u>26,480</u>	<u>37,100</u>
<b>CURRENT ASSETS</b>			
Stocks		561,077	596,242
Debtors: amounts falling due within one year	5	151,723	1,013,702
Cash at bank and in hand		505,571	497,062
		<u>1,218,371</u>	<u>2,107,006</u>
Creditors: amounts falling due within one year	6	(674,549)	(847,842)
<b>NET CURRENT ASSETS</b>		<u>543,822</u>	<u>1,259,164</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>570,302</u>	<u>1,296,264</u>
<b>NET ASSETS</b>		<u><u>570,302</u></u>	<u><u>1,296,264</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	20,001	20,001
Profit and loss account		550,301	1,276,263
		<u>570,302</u>	<u>1,296,264</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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 statement of income and retained earnings 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:

**M R A Ford**  
Director

Date: 29 April 2019

The notes on pages 2 to 8 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 29 JULY 2018**

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**1. GENERAL INFORMATION**

The company is limited by shares, incorporated in England within the United Kingdom. The address of the registered office is given in the company information page of these financial statements.

**2. ACCOUNTING POLICIES**

**2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

**2.2 FOREIGN CURRENCY TRANSLATION**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**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 the Statement of Income and Retained Earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

**2.3 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.

**2. ACCOUNTING POLICIES (continued)**

**2.4 OPERATING LEASES: THE COMPANY AS LESSEE**

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 August 2016 to continue to be charged over the period to the first market rent review rather than the term of the lease.

**2.5 INTEREST INCOME**

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

**2.6 FINANCE COSTS**

Finance costs are charged to the Statement of Income and Retained Earnings 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.

**2.7 BORROWING COSTS**

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the period in which they are incurred.

**2.8 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 the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS  
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**2. ACCOUNTING POLICIES (continued)**

**2.9 CURRENT AND DEFERRED TAXATION**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**2.10 EXCEPTIONAL ITEMS**

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

**2.11 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, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold property improvements	-	Over the lease term
Motor vehicles	-	25% straight line.
Fixtures and fittings	-	33% straight line.

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 Statement of Income and Retained Earnings.

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**2. ACCOUNTING POLICIES (continued)**

**2.12 STOCKS**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost is based on selling price less and estimated profit margin.

**2.13 DEBTORS**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.14 CASH AND CASH EQUIVALENTS**

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

**2.15 CREDITORS**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.16 PROVISIONS FOR LIABILITIES**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Income and Retained Earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

**2.17 FINANCIAL INSTRUMENTS**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

**3. EMPLOYEES**

The average monthly number of employees, including directors, during the period was 54 (2017: 55).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 29 JULY 2018

4. TANGIBLE FIXED ASSETS

	Leasehold Property improvements £	Motor vehicles £	Fixtures and fittings £	Total £
<b>COST OR VALUATION</b>				
At 31 July 2017	83,496	9,600	125,560	218,656
At 29 July 2018	83,496	9,600	125,560	218,656
<b>DEPRECIATION</b>				
At 31 July 2017	53,082	3,600	124,874	181,556
Charge for the period on owned assets	7,800	2,400	420	10,620
At 29 July 2018	60,882	6,000	125,294	192,176
<b>NET BOOK VALUE</b>				
At 29 July 2018	22,614	3,600	266	26,480
At 30 July 2017	30,414	6,000	686	37,100

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 29 JULY 2018**

**5. DEBTORS**

	29 July 2018 £	30 July 2017 £
Trade debtors	3,405	2,732
Amounts owed by joint ventures and associated undertakings	-	856,464
Other debtors	7,586	1,410
Prepayments and accrued income	78,398	79,223
Deferred taxation	62,334	73,873
	<u>151,723</u>	<u>1,013,702</u>

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

	29 July 2018 £	30 July 2017 £
Other loans	265,925	434,806
Trade creditors	148,643	231,856
Other taxation and social security	170,381	130,370
Other creditors	18,513	19,502
Accruals and deferred income	71,087	31,308
	<u>674,549</u>	<u>847,842</u>

Included within other loans are director's loan accounts totalling £72,391 (2017: £188,391) and associated interest of £193,534 (2017: £246,415). Interest on this loan is calculated at 2% above base rate and is repayable on demand.

**7. SHARE CAPITAL**

	29 July 2018 £	30 July 2017 £
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
20,001 (2017: 20,001) Ordinary shares of £1.00 each	<u>20,001</u>	<u>20,001</u>

**8. PENSION COMMITMENTS**

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £21,309 (2017: £16,963). Contributions totalling £Nil (2017: £Nil) were payable to the fund at the balance sheet date.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 29 JULY 2018**

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**9. RELATED PARTY TRANSACTIONS**

The directors and shareholders of the company are also directors of Ipplen Property Limited and Ipplen Property Holdings Limited.

During the year, the company recharged expenses of £75,166 (2017: £3,469) to Ipplen Property Limited. The company also received income of £75,166 (2017: £Nil) from Ipplen Property Limited. As at the 29 July 2018, £840,919 (2017: £844,365) was receivable from Ipplen Property Limited. This has been provided for in full.

During the year, the company recharged expenses of £Nil (2017: £96) to Ipplen Property Holdings Limited. As of the 29 July 2018, £12,099 (2017: £12,099) was receivable from Ipplen Property Holdings Limited. This has been provided for in full.

The directors and shareholders of the company are also directors of Knight Sterling Limited. During the year, the company recharged expenses of £Nil (2017: £170) to Knight Sterling Limited. £18,720 owed by Knight Sterling Limited was provided for in full as at 30 July 2017 and there has been no change to this position as at 29 July 2018.

Value House Stores (Weymouth) Limited, was a 60% owned group subsidiary. As at the 30 July 2017 £551,062 was receivable from Value House Stores (Weymouth) Limited, of which £551,062 was provided for as an expected irrecoverable amount. During the year the balance was formally released by a debt waiver. As at the 29 July 2018 £Nil (2017: £551,062) was receivable from Value House Stores (Weymouth) Limited.

During the period the directors maintained loan accounts with the company. At the period end the company owed the directors £72,391 (2017: £188,391) and associated interest of £193,534 (2017: £246,415).

**10. CONTROLLING PARTY**

The company is a wholly owned subsidiary of Solo Retail Limited, a company registered in England and Wales. Solo Retail Limited is the ultimate parent undertaking.

The company is exempt from preparing group accounts.

**11. AUDITORS' INFORMATION**

The auditors' report on the financial statements for the period ended 29 July 2018 was unqualified.

The audit report was signed on 29 April 2019 by Fleur Lewis FCA (Senior Statutory Auditor) on behalf of Bishop Fleming LLP.

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.