

VALUE HOUSE STORES LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE PERIOD ENDED 26 JULY 2020

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COMPANIES HOUSE

VALUE HOUSE STORES LIMITED
REGISTERED NUMBER:04728150

STATEMENT OF FINANCIAL POSITION
AS AT 26 JULY 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Tangible assets	4	30,117	43,563
CURRENT ASSETS			
Stocks		548,505	665,979
Debtors: amounts falling due within one year	5	67,560	82,738
Cash at bank and in hand		853,212	495,189
		<u>1,469,277</u>	<u>1,243,906</u>
Creditors: amounts falling due within one year	6	(585,088)	(564,943)
NET CURRENT ASSETS		884,189	678,963
TOTAL ASSETS LESS CURRENT LIABILITIES		914,306	722,526
NET ASSETS		914,306	722,526
CAPITAL AND RESERVES			
Called up share capital	7	20,001	20,001
Profit and loss account		894,305	702,525
		<u>914,306</u>	<u>722,526</u>

The directors consider 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 period in question in accordance with section 476 of the Companies Act 2006.

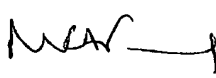
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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: 28 April 2021

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

VALUE HOUSE STORES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 26 JULY 2020

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 GOING CONCERN

The directors have considered the outbreak of COVID-19 in early 2020 and what impact it will have on the ongoing operations of the business. At the outset of the government imposed lockdown all retail stores were closed whilst the directors assessed and understood the risk associated with trading. All sites have since now opened carefully following government guidance on social distancing measures. Recent trade has been strong, the Company is able to meet its liabilities and has built up significant cash reserves again.

The company relies upon its retail sites being able to open and operate fully across its product range. The directors' assumptions and outlook assumes that COVID-19 causes no material unanticipated changes to the business model. The financial statements do not reflect the adjustments that would be necessary should the ability of the Company to trade be jeopardised due to further restrictions on trading within stores being put in place.

2.3 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 profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 26 JULY 2020**

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.

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.

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 Statement of Income and Retained Earnings 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.

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 period in which they are incurred.

VALUE HOUSE STORES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 26 JULY 2020

2. ACCOUNTING POLICIES (continued)

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 Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.11 TAXATION

Tax is recognised in profit or loss 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.

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, 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.
Office equipment	- 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 profit or loss.

2.13 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.

VALUE HOUSE STORES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 26 JULY 2020

2. ACCOUNTING POLICIES (continued)

2.14 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.

2.15 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.

2.16 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.

2.17 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 ordinary shares.

3. EMPLOYEES

The average monthly number of employees, including directors, during the period was 58 (2019: 58).

VALUE HOUSE STORES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 26 JULY 2020**

4. TANGIBLE FIXED ASSETS

	Leasehold Property improvements £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
COST OR VALUATION					
At 27 July 2019	83,496	38,600	125,560	-	247,656
Additions	-	200	-	1,356	1,556
At 26 July 2020	83,496	38,800	125,560	1,356	249,212
DEPRECIATION					
At 27 July 2019	68,682	9,851	125,560	-	204,093
Charge for the period on owned assets	7,800	7,202	-	-	15,002
At 26 July 2020	76,482	17,053	125,560	-	219,095
NET BOOK VALUE					
At 26 July 2020	7,014	21,747	-	1,356	30,117
At 26 July 2019	14,814	28,749	-	-	43,563

VALUE HOUSE STORES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 26 JULY 2020**

5. DEBTORS

	2020 £	2019 £
Trade debtors	2,916	1,736
Other debtors	531	7,965
Prepayments and accrued income	64,113	73,037
	<u>67,560</u>	<u>82,738</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Bank overdrafts	-	9,023
Other loans	34,699	113,699
Trade creditors	245,581	208,748
Other taxation and social security	189,788	153,024
Other creditors	64,042	20,669
Accruals and deferred income	50,978	59,780
	<u>585,088</u>	<u>564,943</u>

Included within other loans are director's loan accounts totalling £Nil (2019: £Nil) and associated interest of £34,699 (2019: £113,699). Interest on this loan is calculated at 2% above base rate and is repayable on demand.

7. SHARE CAPITAL

	2020 £	2019 £
ALLOTTED, CALLED UP AND FULLY PAID		
20,001 (2019: 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 £5,620 (2019: £31,439). Contributions totalling £Nil (2019: £Nil) were payable to the fund at the balance sheet date.

VALUE HOUSE STORES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 26 JULY 2020

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 £Nil (2019: £22) to Ipplen Property Limited. The company also received income of £Nil (2019: £Nil) from Ipplen Property Limited. As at the 26 July 2020, £Nil (2019: £840,941) was receivable from Ipplen Property Limited. The prior year balance had been released by way of a formal debt waiver.

The directors and shareholders of the company are also directors of Knight Sterling Limited. During the year, the company received income of £Nil (2019: £13,040) from Knight Sterling Limited. £5,860 (2019: £5,860) owed by Knight Sterling Limited was provided for in full as at 26 July 2020.

During the period the directors maintained loan accounts with the company. At the period end the company owed the directors £Nil (2019: £Nil) and associated interest of £34,699 (2019: £113,699).

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.