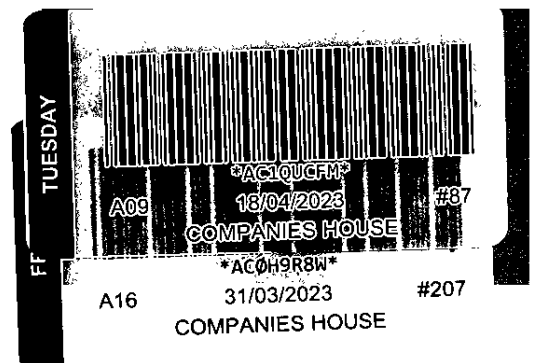


Furniture Village Limited

Report and Financial Statements

For the 66 weeks ended 3 July 2022



CONTENTS	PAGES
Officers and professional advisors	1
Strategic Report	2 – 6
Directors' report	7 – 10
Statement of directors' responsibilities	11
Income Statement	12
Statement of comprehensive income	13
Statement of change in equity	14
Statement of financial position	15
Statement of cash flows	16
Notes to the financial statements	17 – 32

Officers and professional advisors

Directors

P J Harrison	{Executive Chairman}
C E Shiels	{Resigned 31 August 2022}
C G Harrison	
E G Wynne	
M Broughton	{Appointed 1 April 2021}
N J Hipkiss	{Appointed 4 July 2022}
D S Ayers	{Appointed 26 January 2023}
C J Cooper	{Appointed 26 January 2023}

Non-executive Directors

J C Hodgkinson	{Resigned 26 January 2023}
S McPartland MP	{Resigned 8 July 2022 and re-appointed 22 November 2022}
J E Vinson	{Resigned 30 November}
M Cowan	{Appointed 26 January 2023}

Secretary

E G Wynne

Bankers

Bank of Scotland
33 Old Broad Street
London EC2N 1HW

Registered Office

258 Bath Road
Slough
Berkshire SL1 4DX

Strategic report

The Directors present their Strategic Report for the 66 weeks ended 3 July 2022.

Principal activity

The principal activity of the Company is the sale of quality furniture in the retail market, with Furniture Village positioned at the mid to upper end of the UK volume furniture retail market.

Change in Accounting reference date

On 9 March 2021, the Board decided to extend the Company accounting reference date. This report therefore covers the 66-week period from 29 March 2021 to 3 July 2022. The previous report covered the 52 weeks to 28 March 2021.

The decision to extend the accounting reference date was driven primarily by operational effectiveness considerations. The previous accounting reference date fell at the end of March (the end of the first calendar quarter), which meant the business was subject to the volatile influences of both Chinese New Year and Easter on supply chains.

Changing the accounting reference date to the end of the second calendar quarter now removes this volatility and should therefore contribute to improved operational effectiveness and allow for better comparability of results between trading periods.

Review of the business

Our people and our customers remain at the heart of everything we do, with our culture being firmly rooted in our core 'family values', carefully positioned alongside an ambition to continue building a successful, growing business, one in which everyone is able to share in the rewards of their efforts.

Throughout the Covid-19 pandemic, our focus was to protect both the lives and livelihoods of our people and our customers. We are especially proud of the steps we took and the diligence, courage, commitment and flexibility our people showed in creating Covid-Safe working environments across all sites.

That allowed us to trade successfully when permitted to do so and to re-open fully when restrictions were finally lifted in April 2021. This report therefore reflects a very strong set of results for the 66 weeks ended 3 July 2022, delivering record revenues, significant profit growth and healthy cash flows.

Financial Key Performance

Indicators (KPI's):

	Reported 66 Weeks 2022	Reported 52 weeks 2021	Reported Total Change
Revenue or Deliveries (net of Vat)	£474.9m	£255.1m	£219.8m
Gross Profit %	43.9%	45.8%	-1.9 points
EBITDA*	£23.7m	£13.1m	£10.6m
Profit/(loss) after taxation	£10.0m	£3.2m	£6.8m
Cash Balance	£48.6m	£37.6m	£11.1m

*Earnings Before Interest, Tax, Depreciation and Amortisation

There is no doubt that we benefitted from the pent-up demand for homewares when our stores re-opened post lockdown. There is also no question that the ongoing investment in our people, our stores, our digital capability and importantly our product offer during these disrupted past two years played their part to the full. This allowed us to emerge an even stronger, more agile business, more united and better positioned to take advantage of the increased customer flow.

Strategic Report (continued)

Our strategy is firmly built upon the synergistic relationship between our physical stores and our digital, online presence. Whilst we experienced substantial growth in participation of online orders during the pandemic, the majority of our customers still prefer to 'touch and feel' their furniture ahead of purchasing and this remains by far the greatest route to market for us.

We consequently expanded our physical store portfolio during the 66-week period covered by this report, with Crawley having opened in April 2021 and Sheffield having opened in October 2021. The portfolio at 3 July 2022 was therefore 54 stores (April 2021: 52 stores), extending physical accessibility across much of the United Kingdom.

We are therefore very pleased to have produced another period of profitable market share growth, with order intake increasing significantly. In our view, that clearly demonstrates the appeal of our offer and our capacity to both attract and convert customers through our physical and digital channels.

Although the translation of order intake into delivered sales (revenue) was impacted by the world-wide supply chain disruption, the growth in total delivered volumes was nevertheless substantial. In keeping with others margins were dented by additional shipping container costs, and we also increased our internal warehouse and distribution capacity to meet the additional customer demand and delivery expectations.

However, good cost control and economies of scale meant the additional volumes contributed to a record-breaking EBITDA of £23.7 million and a strong Profit after tax of £10.0million.

The business model remains highly cash generative, and the strong cash inflow from continuing operating activities produced a healthy closing cash position of £48.6million.

During the year, the Investment Loan owed to the Business Growth Fund was also settled in full.

Outlook

Following an extraordinary period in which demand for products for the home was incredibly strong, it's of little surprise that current high inflation and the rising cost of living are having a dampening effect upon consumer confidence.

Despite this, we have continued to trade strongly during this new financial year, as improved conversion of store visitors to customers, along with increased order values per customer, has mitigated the reduced customer numbers. Although understandably lower than last year, our order intake over the first 26 weeks has shown a like for like 11% increase against the equivalent (pre-Covid) 2019 period.

Given the anticipated 'normalisation' of demand following this extraordinary trading year, the level of demand in the current year has even exceeded our own expectations and consequently the levels of profitability and cash generation have remained not only positive, but ahead of our projections.

We continue to invest in our network of physical showrooms and are delighted to have further expanded the store estate with a new store in Colchester, opened in December 2022. We therefore now have 55 well-invested showrooms (2022: 54), staffed by our highly motivated and well-trained sales teams. We also continue to invest in our website to ensure we keep inspiring our customers, making it easy for them to browse and buy online.

The importance of the 'final mile' is key to our customer experience and so we have also invested in our customer fulfilment teams and have seen significant improvements in the operational capability, service levels and efficiencies as a result.

These are uncertain times, with the rising UK cost of living continuing to place pressures on our customers and colleagues. Despite a solid first half to the 2022/23 financial year, we remain mindful of the risk that the volatile political and economic backdrop may have on already dented consumer confidence levels.

Strategic Report (continued)

The Company Senior Leadership Team is focused on controlling the things which can be controlled whilst remaining alert and agile to deal with the unexpected. Notwithstanding the market-wide challenges faced by the Company, the Board is confident that our people, products and platforms are well positioned to successfully navigate the challenges ahead, convert opportunities to grow market share and emerge stronger than ever.

Share Buy-back

It has long been an ambition for the business to be a 'family partnership', one that is a limited liability company solely owned by the founding family and a business that provides the opportunity for all to truly share in the rewards of their efforts. This ambition has been a patient priority of the founders and executives of the business for some considerable time and we are pleased to confirm that a successful share buy-back arrangement was concluded on 30 November 2022, with the only remaining shareholders being the directors P J Harrison and C G Harrison as well as our Employment Benefit Trust.

We are further pleased to confirm that all funds associated with this buyout are covered from within the company's existing capital reserves, which more than adequately support the share purchases.

Principal Risks and Uncertainties

The business has assessed the impact of Brexit and has determined that there has been no significant impact on the business.

The principal risks for the Company and the Furniture Village group of companies are segmented and managed accordingly:

Strategic risk

The trading strategy is regularly revisited and reviewed to ensure its appropriateness to today's trading environment and customer trends. As such, we remain convinced that the broad strategic direction which has served us so well over many years remains the relevant one for the market in which we operate, as consumers place increasingly more emphasis on trust, service, quality, choice and value, playing strongly to our existing core strengths.

We continue to invest in the internet site and multi-channel, though we are steadfast in the need for both stores and online, particularly at the mid to upper end of the furniture market where customers still want to 'touch and feel' the furniture.

Covid19 risk

Covid19 was initially identified as a supply chain risk, before increasing to a business resilience risk as cases escalated and lockdown measures were deployed in the UK, albeit this was mitigated by initiatives to drive customers online and to utilise other technological mediums such as video calls, to bring the store to the customer.

Since the re-opening of our stores in April 2021, the success of the national vaccination programme and the adherence to our internal safety measures has meant no further disruption to the business from an order intake perspective. The only element of risk currently relates to the ongoing supply chain disruption and increased container costs, both of which have now returned to pre-Covid levels post year-end.

Our assessment therefore is that Covid-19 now represents a very low risk to the business.

Financial risk

The Group aims to maintain good working relationships with all financial counterparties and engages proactively to ensure they understand the Group financial performance. We regularly review financial forecasts and wide-ranging sensitivities to ensure robust levels of cash headroom.

New investment opportunities are subject to detailed and vigorous financial appraisal and foreign exchange risks are managed through the use of forward purchases as appropriate.

Strategic Report (continued)

Cyber Crime and General Data Protection Regulation (GDPR) risk

During the reporting period (May 2021), the group was subject to a sophisticated Cyber Incident the impact which was significantly mitigated due to the existing security in place. All relevant authorities were informed of the incident, necessary reactive steps taken to mitigate any loss and additional measures have been taken to prevent a re-occurrence. Thankfully, no customer data was lost and no further reporting nor actions beyond those already in place were required to be taken.

Since the introduction of GDPR we have robust policies in place to ensure we comply with the regulations and although an independent review of our systems confirmed that there was no breach of our customer database, these have been further reviewed in light of the Cyber Incident.

Operational risk

Store managers, supported by regional management, ensure operational standards are maintained and our focus on quality stores, systems and infrastructure seek to ensure consistency of performance, bolstered further by the deployment of 'Best Practice' throughout the Group.

Our supplier base is managed in an open, honest and constructive manner, with quality of service being of huge importance to us and regular dialogue continues to ensure adherence to our exacting product standards and lead-time requirements. Furthermore, we seek to ensure that key suppliers are able to adapt to unforeseen circumstances and/or fluctuations in demand to minimise any supply chain risk.

Health & Safety and other Regulatory Compliance risk

The business takes its compliance responsibilities very seriously and seeks to adhere to all relevant legislation. We also engage with external parties, including having a Primary Authority relationship with Slough Borough Council, to ensure that current practices, procedures and training methods are effective and robust and in doing so that we protect all stakeholders.

We have a strong compliance team, seeking assured advice on numerous aspects of Health and Safety, ensuring that appropriate standards, controls and records are maintained.

Statement by the Directors in performance of their statutory duties in accordance with Section 172 of the Companies Act 2006

The Directors of Furniture Village Limited are bound by their duties under the Companies Act 2006, including their duty to promote the success of the Company for the benefit of its members as a whole.

The detail below sets out how the Directors have, in performing their duties, had regard to the matters set out in section 172(1)(a)-(f) of the Companies Act 2006, for the 66 weeks ended 3 July 2022. The information provided below is for the Furniture Village group of companies. The Directors consider the following to be the Company's key stakeholders:

• Our Customers

Providing both our existing and future customers with outstanding quality, choice and value, is at the heart of what we do. We strive to provide exceptional service at every point in the customer journey and actively seek and monitor customer feedback and reviews in order to evaluate and improve the customer experience.

We regularly review our product offering to ensure it is aligned with changing customer aspirations and are constantly utilising technology to ensure customers are able to view and order product through the medium of their choice, including offering appointments in-store and via video calls.

Strategic Report (continued)

• Our People

Our people are what make our business successful and nurturing a motivated, passionate and skilled team is pivotal to our continued evolution and relevance in today's ever-changing world. We engage with all our workforce regularly, including a company-wide weekly newsletter, frequent update meetings and more recently participation in the 'Best Companies' programme. At the same time the Board also regularly visits both stores, fulfilment centres and support hubs to further engage and gain 'first-hand' insight.

The health, safety and well-being of our people is of the utmost importance and we ensure we have appropriate policies and procedures in place to safeguard them. We are furthermore constantly reviewing our pay and benefits to ensure our people are appropriately rewarded, with our practice of 'Perform, Achieve, Reward' remaining a key ingredient of our ethos.

• Our Suppliers

Our Suppliers are vital to our mission to deliver quality, choice and value to our customers, whether providing furniture, premises or any other goods or services required to operate our business.

We have long-standing relationships with most of our suppliers, many of whom are well established brands themselves, and we work in collaboration to ensure our products evolve, with frequent new product launches.

We also carry out regular reviews to ensure exacting standards of product quality and adherence to both committed lead-times and Modern Slavery Regulations alongside commercial reviews to ensure value for money and service standards.

• Our Shareholders

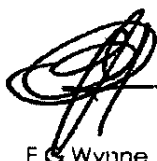
The relationship with our external investor, The Business Growth Fund ('BGF'), which was in place during the period covered by this report, has been very supportive and we have always sought to protect their investment and generate long term value. In November 2022 an amicable financial arrangement was reached with the BGF and other shareholders which enabled the business to buy-back their shareholding and they ceased to be shareholders in the business.

We engage with our shareholders through regular meetings and various other communications and updates to ensure they are fully informed on the strategic plan. We are committed to delivering on the financial results that are part of our strategic plan.

• Our Communities

Furniture Village operates out of multiple locations and our communities expect us to act responsibly and positively influence the local communities in which we operate. We currently have over a thousand employees, with our continued expansion creating further job opportunities. We have continued to support both local and national charities during the year, as well as those that support the furniture and wider retail sector.

By order of the Board



E. Wynne

Director

Date 30 MARCH 2023

Directors' Report

The directors present their report and financial statements for the 66 weeks ended 3 July 2022.

The Company has chosen in accordance with Section 414 (c) of the Companies Act 2006 to set out in the Strategic Report the following, which the Directors believe to be of strategic importance:

- Review of the Business
- Principal Risks and Uncertainties

Results and Dividends

The profit for the year, after taxation, amounted to £11,102k (52 weeks ended 28 March 2021: £4,714k). The net assets of the Company were £35,287k (52 weeks ended 28 March 2021: £22,512k).

The directors recommend the payment of an intercompany dividend of £1,250k to Furniture Village Group Ltd (52 weeks ended 28 March 2021 £1,000k). The company also paid an intercompany non-equity preference share dividend of £222k to Furniture Village Group Ltd (52 weeks ended 28 March 2021 £222k).

Future Developments

The directors aim to maintain the current management policies and strategy, as outlined further in the Strategic Report, and consider that this will generate an uplift going forward in both underlying EBITDA and cash.

Going concern

The Group had net assets of £20,516k (2021: £7,581k) and cash at year end was £48,559k (2021: £37,636k) and the Group has continued to generate positive EBITDA and cash since that time. As noted elsewhere in this report, a successful buy-back of shares was concluded with certain shareholders, including the Business Growth Fund, after the balance sheet date. This transaction was funded completely out of internally generated funds. Available cash remains in excess of £30m at the date of signing these financial statements.

In assessing whether the going concern basis is appropriate, the Directors take into account all available information about the future up to and including 30 June 2024, which is more than 12 months from the date of the approval of these financial statements. The Directors have performed this review at a Group and Company level, including considering a reasonable worst-case scenario.

The Directors have considered the cash flow forecasts and profitability of the Group and Company and have applied a combination of sensitivities to model potential scenarios to reflect differing market conditions and challenges. Taking these forecasts into account, the Directors believe that the Group and Company has adequate resources and facilities to continue trading effectively for the foreseeable future. On this basis, the Directors continue to adopt the going concern basis of accounting in preparing this Report and Financial Statements.

Supplier Involvement

We value the relationships with all of our suppliers, both products and services and conduct these important relationships in a spirit of openness, transparency, fairness and trust.

Employee Involvement

Furniture Village is a 'people business' and the culture of development, training, recognition and reward are of the utmost importance to Management. Significant investment in training continued across the business, ensuring that product knowledge is developed and enhanced, along with skills for all customer service, distribution and administrative functions.

Lines of communication, facilitated by a relatively flat structure, are open and honest and are endorsed by excellent retention rates and long service to the business. All employees participate directly in the success of the business through the Group's bonus and other incentive schemes.

Directors' Report (continued)

Disabled employees

The Group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person.

Should existing employees become disabled, it is the Group's policy, wherever practicable, to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

UK Streamlined Energy and Carbon Reporting ("SECR")

Furniture Village Limited complies with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 and our approach to reporting is based on the Greenhouse Gas "GHG" Protocol Corporate Accounting and Reporting Standard in line with the guidance on SECR.

GHG Emissions and Energy Use Data

Our reporting period is for the financial year 29 March 2021 to 3 July 2022, reporting all material GHG emissions using "Tonnes of CO₂ equivalent" (tCO₂e) as the unit of measurement and reporting energy use in kWh.

With the change to our Accounting Reference Date the consumption data for 2021-22 relates to the 12 month period of July 2021 – June 2022. There have been no key operational changes within the portfolio and the change in the reported data period is believed to have no material impact on the CO₂ figures.

2020-21 figures were significantly impacted by Covid-19, hence the increase in consumption kWh Year on Year. Gross tCO₂e is not showing as great an increase due to the reductions in the Greenhouse Gas conversion factors.

	2021-22	2020-21
Energy consumption used to calculate emissions:	24,819,234 kWh	20,035,577 kWh
Emissions from combustion of gas (Scope 1)	245 tCO ₂ e	168 tCO ₂ e
Emissions from combustion of fuel for transport purposes (Scope 1)	2,704 tCO ₂ e	2,251 tCO ₂ e
Emissions from business travel in rental cars or employee-owned vehicles where Company is responsible for purchasing the fuel (Scope 3)	33 tCO ₂ e	34 tCO ₂ e
Emissions from purchased electricity (Scope 2, location-based)	2,336 tCO ₂ e	2,435 tCO ₂ e
Total gross CO₂e based on above	5,318 tCO₂e	4,888 tCO₂e
Intensity ratio: tCO₂e g per £100,000 revenue	13.05	19.16

Methodology: CRC/ESOS reporting principles applied to footprint calculation.

Energy Efficiency Action Taken

With regard to the property portfolio, further to the energy efficiency actions previously undertaken, the Business monitors consumption on a monthly basis and keeps abreast of market developments for any potential additional efficiency opportunities. All new store and customer fulfilment premises continue to benefit from entirely LED lighting installations and any other plant and equipment that has been and is to be installed generally is of modern, efficient standards.

The Business has taken the decision to move its company car fleet upon renewal to electric vehicles and EV chargers have been installed at all sites across the estate.

Directors' Report (continued)

In relation to the Business' commercial transport fleet, we have continued with the move to smaller, more economical vans with the replacement this year of 15 7.5 tonne HGV vehicles with 3.5 tonne vans and are trialling a fully electric large platform 3.5 tonne vehicle at two customer fulfilment centres with this trial due for completion in early 2023. In addition, 23 7.5 tonne vehicles have been replaced with new 7.5 tonne vehicles that have been modified to provide a lower unladen weight to help with fuel saving. Our current routing system is under review to ensure we can achieve enhanced delivery performance.

Directors

The directors who served during the year and up to the date of signing these financials were as follows:

P J Harrison (Executive Chairman)

C G Harrison

E G Wynne

M Broughton

Post year end and prior to signing of these accounts, C E Shiels resigned as director. N J Hipkiss, D S Ayers and C J Cooper have been appointed as directors post year end.

Non-executive Directors

The non-executive directors who served during the year and up to the date of signing these financials were as follows:

Rt Hon S McPartland MP

Post year end and prior to signing of these accounts, J E Vinson and J C Hodgkinson resigned as non-executive directors. Rt Hon S McPartland MP resigned temporarily as non-executive director post year end whilst temporarily serving as Security Minister and was re-appointed in November 2022 once that role ceased. M Cowan was appointed a non-executive director post year end.

Directors' qualifying third party indemnity provisions

The Company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought about by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third-party indemnity provision was in force throughout the year and remains in force as at the date of approving the Directors' report.

Disclosure of Information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware.

Having made enquiries of fellow directors and the Company's auditor, the directors have taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Elective resolution and auditors

The Company has passed Elective Resolutions to dispense with the laying of the financial statements before the Company in General Meeting, the appointment of auditors annually and the holding of the Annual General Meetings, pursuant to section 485 of the Companies Act 2006.

Directors' Report (continued)

Events occurring after the Statement of Financial Position date

Since the Statement of Financial Position date, the Company has opened a new store in Colchester.

It has long been an ambition for the business to be a 'family partnership', one that is a limited liability company solely owned by the founding family and a business that provides the opportunity for all to truly share in the rewards of their efforts. This ambition has been a patient priority of the founders and executives of the business for some considerable time and we are pleased to confirm that a successful share buy-back arrangement was concluded on 30 November 2022, with the only remaining shareholders being the directors P J Harrison and C G Harrison as well as our Employment Benefit Trust.

By order of the Board



E. S. Wynne
Director

Date 30 MARCH 2023

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report, the 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 period. 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 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; and
- 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.

Income Statement

for the 66 weeks ended 3 July 2022

		66 weeks ended 3 July 2022 £000	52 weeks ended 28 March 2021 £000
	Notes		
Revenue	2	474,914	255,079
Cost of sales		(266,339)	(138,242)
Gross profit		208,575	116,837
Distribution costs		(124,126)	(73,244)
Administrative expenses		(69,143)	(42,840)
Other operating income	3	1,745	7,830
Operating profit/(loss) before cost of new/re-launched stores		17,051	8,583
New and re-launched stores		(472)	(279)
Operating profit/(loss)		16,579	8,304
Loss on disposal of intangible and tangible fixed assets	4	(1,589)	(1,749)
Profit/(loss) before interest and tax	5	14,990	6,555
Interest receivable and similar income	9	74	44
Interest payable and similar charges	10	(272)	(273)
Profit/(loss) on ordinary activities before taxation		14,792	6,326
Tax charge	11	(3,690)	(1,612)
Profit/(loss) for the financial period		11,102	4,714

All the activity of the company has been generated through continuing operations in both the current and preceding periods.

Statement of comprehensive income

for the 66 weeks ended 3 July 2022

		66 weeks ended 3 July 2022 £000	52 weeks ended 28 March 2021 £000
	Notes		
Profit/(loss) for the financial period		11,102	4,714
Other Comprehensive Income			
Fair Value Revaluation		3,202	2,705
Movement on deferred tax arising on the revaluation reserve	11	(279)	(142)
Total comprehensive income		14,025	7,277

Statement of change in equity

for the 66 weeks ended 3 July 2022

	Share Capital £000	Share Premium £000	Revaluation Reserve £000	Profit and Loss Reserve £000	Total Share- holders' Funds £000
At 29 March 2020	650	274	3,479	11,832	16,235
Loss for the financial period	–	–	–	4,714	4,714
Other comprehensive Income	–	–	2,563	–	2,563
Total comprehensive income/(loss)	–	–	2,563	4,714	7,277
Ordinary dividends paid to parent undertaking	–	–	–	(1,000)	(1,000)
At 28 March 2021	650	274	6,042	15,546	22,512
Profit for the financial period	–	–	–	11,102	11,102
Other Comprehensive Income	–	–	2,923	–	2,923
Total comprehensive income	–	–	2,923	11,102	14,025
Ordinary dividends paid to parent undertaking	–	–	–	(1,250)	(1,250)
At 3 July 2022	650	274	8,965	25,398	35,287

Statement of financial position

at 3 July 2022

	Notes	3 July 2022 £000	28 March 2021 £000
Fixed assets			
Intangible assets	13	1,557	2,792
Tangible assets	14	35,736	31,909
		<u>37,293</u>	<u>34,701</u>
Current assets			
Stocks	15	18,708	16,651
Debtors	16	64,932	48,503
Cash	21(b)	48,549	37,626
		<u>132,189</u>	<u>102,780</u>
Creditors: amounts falling due within one period	17	(126,170)	(108,860)
Net current liabilities		<u>6,019</u>	<u>(6,080)</u>
Total assets less current liabilities		<u>43,312</u>	<u>28,621</u>
Preference shares	18	(3,150)	(3,150)
Provisions for liabilities	19	(4,875)	(2,959)
Net assets		<u>35,287</u>	<u>22,512</u>
Capital and reserves			
Called up share capital	20	650	650
Share premium account		274	274
Asset Revaluation Reserve		8,965	6,042
Profit and loss reserve		25,398	15,546
Shareholders' funds		<u>35,287</u>	<u>22,512</u>

For the 66 weeks ending 3 July 2022 the Company was entitled to exemption from audit under s479A of the Companies Act 2006 relating to subsidiary companies.

Directors responsibilities:

- the members have not required the Company to obtain an audit of its account for the year in question in accordance with s476;
- the director's acknowledge their responsibilities for complying with the requirements of the Act in respect to accounting records and the preparation of the accounts.

C G Harrison



E Wynne



Director

Director

Date

30 MARCH 2023

Date

30 MARCH 2023

Statement of cash flows

for the 66 weeks ended 3 July 2022

		66 weeks ended 3 July 2022 £000	52 weeks ended 28 March 2021 £000
	Notes		
Net cash inflow from continuing operating activities	21(a)	24,090	19,133
Corporation Tax Paid		(2,868)	(507)
Net cash inflow from continuing operating activities		21,222	18,626
Investing activities			
Interest received		74	44
Payments to acquire tangible fixed assets		(7,650)	(3,259)
Payments to acquire intangible fixed assets		(1,242)	(357)
Proceeds of disposal of tangible fixed assets		41	
Net cash flow used from investing activities		(8,777)	(3,572)
Financing activities			
Intercompany preference dividend paid to parent company		(222)	(222)
Other interest paid		(50)	(51)
Equity dividends paid to parent company	12	(1,250)	(1,000)
Net cash flow used from financing activities		(1,522)	(1,273)
Change in cash resulting from cash flows		10,923	13,781
Cash at beginning of financial period	21(b)	37,626	23,845
Cash at end of financial period	21(b)	48,549	37,626

Notes to the financial statements

for the 66 weeks ended 3 July 2022

1. Accounting policies

Statement of compliance

Furniture Village Limited is a limited liability company incorporated in the United Kingdom. The registered office is 258 Bath Road, Slough, Berkshire, SL1 4DX. The company's financial statements have been prepared in compliance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (FRS 102) and in accordance with the requirements of the Companies Act 2006 for the 66 weeks ended 3 July 2022.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements can require management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Statement of Financial Position date and the amounts reported for income and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgement (apart from those involving estimates) has had the most significant effect on amounts recognised in the financial statements:

Operating lease commitments

The Company has entered into commercial property leases as a lessor on retail and warehouse units. The classification of such leases as operating or finance leases is required by the company. Based on an evaluation of the terms and conditions of the leases, whether it retains or acquires the significant risk and rewards of ownership and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position, it has been established that these leases meet the classification of operating leases.

Tangible and Intangible Assets

Estimations on the useful economic life of assets are based on the expected time benefits are generated in the business, or in the case of leasehold assets, the time to the next rent review. On completion of contracts to extend store leases, leasehold property assets are revalued to reflect the fair value based on a replacement cost approach. Depreciation is provided on these assets at the revalued amount, less estimated residual value, of each asset evenly over its expected useful life.

Taxation

The Company separately discloses the line items that are included in the amounts expected to be recovered or settled within 12 months and more than 12 months after the reporting date. The regulations require an entity to separately disclose the line items that are included in the amounts expected to be recovered or settled within 12 months and more than 12 months after the reporting date. The Company establishes provisions based on reasonable estimates. The amount of such provisions is based on differing interpretations of tax regulations by the taxable entity.

Basis of preparation

The financial statements are prepared in accordance with applicable accounting standards, predominantly using historical cost accounting principles, though leasehold assets are revalued in the event of an extension to a property lease (see below).

The financial statements are prepared in sterling which is the functional currency of the Company and rounded to the nearest £'000.

The Company and the Group have changed Accounting Reference Date for the period to 3 July 2022. Amounts reported in the financial statements cover the 66 weeks ended 3 July 2022 and are not entirely comparable to the prior year results which cover the 52 week period ended 28 March 2021. The decision to change the Accounting Reference Date was taken to minimise the impact of Chinese New Year and Easter, which are both in close proximity to the prior Accounting Reference Date, on operations and profitability of the business going forward.

Notes to the financial statements (continued)

for the 66 weeks ended 3 July 2022

1. Accounting policies (continued)

Basis of preparation (continued)

The Company has taken advantage of the exemption in FRS 102 which allows certain companies to not disclose key personnel remuneration.

In accordance with s479A of the Companies Act 2006 the Company has claimed exemption from the audit relating to subsidiary companies in respect of the current financial year.

Going Concern

The Group had net assets of £20,516k (2021: £7,581k) and cash at year end was £48,559k (2021: £37,636k) and the Group has continued to generate positive EBITDA and cash since that time. As noted elsewhere in this report, a successful buy-back of shares was concluded with certain shareholders, including the Business Growth Fund, after the balance sheet date. This transaction was funded completely out of internally generated funds. Available cash remains in excess of £30m at the date of signing these financial statements.

In assessing whether the going concern basis is appropriate, the Directors take into account all available information about the future up to and including 30 June 2024, which is more than 12 months from the date of the approval of these financial statements. The Directors have performed this review at a Group and Company level, including considering a reasonable worst-case scenario.

The Directors have considered the cash flow forecasts and profitability of the Group and Company and have applied a combination of sensitivities to model potential scenarios to reflect differing market conditions and challenges. Taking these forecasts into account, the Directors believe that the Group and Company has adequate resources and facilities to continue trading effectively for the foreseeable future. On this basis, the Directors continue to adopt the going concern basis of accounting in preparing this Report and Financial Statements.

Intangible fixed assets

Intangible assets are capitalised at cost. Amortisation is provided on all intangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Software	–	over 4 years
Website infrastructure costs	–	over 7 years
Website ongoing development costs	–	over 2 years

Design and content development costs are capitalised within intangible fixed assets in accordance with FRS 102 only to the extent that they lead to the creation of an enduring asset delivering benefits at least as great as the amount capitalised. If there is insufficient evidence on which to base reasonable estimates of the economic benefits that will be generated in the period until the design and content are next updated, the costs of developing the design and content are charged to the Income Statement as incurred.

The carrying values of intangible fixed assets are reviewed for impairment annually if events or changes in circumstances indicate the carrying value may not be recoverable. Changes in the expected useful life or the expected pattern of consumption of benefit shall be accounted for as a change in accounting estimate.

Notes to the financial statements (continued)

for the 66 weeks ended 3 July 2022

1. Accounting policies (continued)

Tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life. Such cost includes costs directly attributable to making the asset capable of operating as intended. The expected useful life is stipulated as follows:

Leasehold property	– over the lease term
Fixtures and fittings	– over 10 years or over the lease term
Equipment	– over 4 years

On completion of contracts to extend store leases, leasehold property assets are revalued to reflect the fair value based on a replacement cost approach. Depreciation is provided on these assets at the revalued amount, less estimated residual value, of each asset evenly over its expected useful life.

The carrying values of tangible fixed assets are reviewed for impairment annually if events or changes in circumstances indicate the carrying value may not be recoverable.

Revenue recognition

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised on delivery of the goods to the customer.

Delivery service

Revenue from the delivery service provided to our customers is recognised on completion of the delivery of the goods.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis and comprises the purchase price of the goods and other directly attributable costs incurred in bringing the product to its present location and condition. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Cash

Cash comprises of cash at banks, cash in hand and restricted deposits held with financial institutions.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the Income Statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Notes to the financial statements (continued)

for the 66 weeks ended 3 July 2022

1. Accounting policies (continued)

Provisions for liabilities

A provision is recognised when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

The effect of the time value of money is not material and therefore the provisions are not discounted.

Deferred taxation

Deferred tax is recognised in respect of all timing differences in relation to both taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantially enacted at the Statement of Financial Position date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Holiday accrual

All short-term compensated absences as holiday entitlement earned but not taken at the Statement of Financial Position date will be accrued for.

Foreign currencies

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

The gain or loss arising on settlement or translation of monetary items are recognised in Income Statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

Pension costs

The Company operates a defined contribution pension scheme for eligible employees. Eligibility is defined by length of service. Contributions are charged in the Income Statement as they become payable in accordance with the rules of the scheme.

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company and hire purchase contracts are capitalised in the Statement of Financial Position and are depreciated over the shorter of the lease term and the asset's useful life. A corresponding liability is recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments in the Statement of Financial Position. Lease payments are apportioned between the reduction of the lease liability and finance charges in the Income Statement so as to achieve a constant rate of interest on the remaining balance of the liability.

Rentals payable under operating leases are charged in the income statement on a straight-line basis over the lease term.

Notes to the financial statements (continued)

for the 66 weeks ended 3 July 2022

1. Accounting policies (continued)

New and re-launched stores pre-trading costs

The costs associated with the pre-trading period of new and re-launched stores are written off in the period in which they are incurred. This predominately includes pre-launch occupancy costs, personnel costs, training costs and marketing launch costs.

Rent free periods and reverse premiums

During the course of opening new stores and re-gears of existing leases, operating leases are negotiated which may include rent-free periods and/or reverse premiums. Rent free periods and reverse premiums are amortised from the date of lease commencement on a straight-line basis to the end of the lease term.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in administrative expenses.

Classification of shares as debt or equity

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Accordingly, a financial instrument is treated as equity if:

- a) there is no contractual obligation to deliver cash or other financial assets or to exchange financial assets or liabilities on terms that may be unfavourable; and
- b) the instrument is a non-derivative that contains no contractual obligations to deliver a variable number of shares or is a derivative that will be settled only by the company exchanging a fixed amount of cash or other assets for a fixed number of the company's own equity instruments.

When shares are issued, any component that creates a financial liability of the company is presented as a liability in the Statement of Financial Position, measured initially at fair value net of transaction costs and thereafter at amortised cost until extinguished on conversion or redemption. The corresponding dividends relating to the liability component are charged as interest expense in the income statement. The initial fair value of the liability component is determined using a market rate for an equivalent liability without a conversion feature. The remainder of the proceeds on issue is allocated to the equity component and included in shareholders' equity, net of transaction costs.

The carrying amount of the equity component is not re-measured in subsequent years. Transaction costs are apportioned between the liability and equity components of the shares based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

2. Revenue

Revenue, which is stated net of value added tax, represents the value of goods and services delivered and invoiced to customers. Turnover relates to one continuing activity, the retailing of household furniture within the United Kingdom.

Notes to the financial statements (continued)

for the 66 weeks ended 3 July 2022

3. Other operating income

	66 weeks ended 3 July 2022 £000	52 weeks ended 28 March 2021 £000
Concessions income	1,515	1,864
Government grants	230	5,966
	<u>1,745</u>	<u>7,830</u>

Concession income is composed primarily of external rental income and is incidental to the group's retail revenue.

Government grants have been received through various government Covid financial support programs such as the Job Retention Scheme and the Retail, Hospitality and Leisure Grant Fund.

4. Loss on disposal of fixed assets

	66 weeks ended 3 July 2022 £000	52 weeks ended 28 March 2021 £000
Loss on disposal of tangible and intangible assets	<u>(1,589)</u>	<u>(1,749)</u>

5. Profit/(loss) before interest and tax

This is stated after charging:

	66 weeks ended 3 July 2022 £000	52 weeks ended 28 March 2021 £000
Auditors' and associates' remuneration	147	153
Depreciation of owned assets	6,929	4,866
Amortisation of intangible assets	943	545
Operating lease rentals – Property	30,193	22,729
Operating lease rentals – Other	<u>2,263</u>	<u>1,781</u>

Notes to the financial statements (continued)

for the 66 weeks ended 3 July 2022

6. Auditor's remuneration

The remuneration of the auditor's or its associates is analysed as follows:

	66 weeks ended 3 July 2022 £000	52 weeks ended 28 March 2021 £000
Audit of the financial statements	146	126
Total audit services	146	126
Taxation compliance services	30	23
Other assurance services	–	4
Total non-audit services	30	27
Total audit and associates' remuneration	176	153

7. Directors' remuneration

	66 weeks ended 3 July 2022 £000	52 weeks ended 28 March 2021 £000
Aggregate remuneration in respect of qualifying services	1,972	851
Company contributions paid to money purchase pension schemes	58	33
Number of directors in respect of qualifying services	8	6
	66 weeks ended 3 July 2022 No.	52 weeks ended 28 March 2022 No.
Members of money purchase pension scheme	5	5

The amounts in respect of the highest paid director were aggregate remuneration of £587k (52 weeks ended 28 March 2021 – £309k) and Company contributions paid to pension schemes of £5k (52 weeks ended 28 March 2021 – £10k). Directors' remuneration includes bonuses relating to the period in which they accrue, although these may be paid after the period end.

Notes to the financial statements (continued)

for the 66 weeks ended 3 July 2022

8. Staff costs

	66 weeks ended 3 July 2022 £000	52 weeks ended 28 March 2021 £000
Wages and salaries	61,246	40,623
Social security costs	6,827	4,288
Pension costs	2,313	1,732
	<u>70,386</u>	<u>46,643</u>

The average monthly number of employees during the period was as follows:

	66 weeks ended 3 July 2022 No.	52 weeks ended 28 March 2021 No.
Office and management	145	128
Retailing and distribution	1,098	991
	<u>1,243</u>	<u>1,119</u>

The above figures include staff costs in full and are not net of furlough receipts, which have been treated as other income. Such employees have also been included in the average monthly number of employees. The schemes were predominantly utilised in April 2020 and May 2020 when both stores and warehouses were shut and we were unable to deliver into customer's homes.

The total benefit received by the Company from the Government Job Retention Scheme was £22k of the £230k grants noted in Note 3 (52 weeks ended 28 March 2021 - £5.3m of £6.0m).

9. Interest receivable and similar income

	66 weeks ended 3 July 2022 £000	52 weeks ended 28 March 2021 £000
Bank Interest	74	44

10. Interest payable and similar charges

	66 weeks ended 3 July 2022 £000	52 weeks ended 28 March 2021 £000
Dividends payable on non-equity preference shares to parent co.	222	222
Other interest	50	51
	<u>272</u>	<u>273</u>

Preference dividends are paid solely to the parent company Furniture Village Group Limited, which holds 100% of the ordinary share capital of Furniture Village Limited.

Notes to the financial statements (continued)

for the 66 weeks ended 3 July 2022

11. Tax

(a) Tax on profit/(loss) on ordinary activities

The tax is made up as follows:

	66 weeks ended 3 July 2022 £000	52 weeks ended 28 March 2021 £000
Current tax:		
UK corporation tax	2,835	1,825
Adjustment in respect of previous periods	(67)	(46)
Total current tax	2,768	1,779
Deferred tax:		
Origination and reversal of timing differences – current period	434	(202)
– prior period	3	35
– change of tax rates	485	-
Total deferred tax (note 19)	922	(167)
Total tax per income statement	3,690	1,612
Other comprehensive income items		
Deferred tax current year charge	279	142
Deferred tax prior year adjustment	-	-
	279	142
(b) Factors affecting the current tax charge for the period		
The charge for the period can be reconciled to the profit/(loss) per the income statement as follows:		
Profit/(loss) for the period	14,792	6,326
Tax on profit/(loss) at standard UK tax rate of 19% (66 weeks ended 3 July 2022 – 19%)	2,810	1,202
Effects of:		
Expenses not deductible	695	559
Non-taxable income	(224)	(17)
Group relief/other reliefs	(11)	(121)
Adjustment from previous periods	(65)	(11)
Tax rate changes	485	-
Tax charge for the period	3,690	1,612
Income tax expense reported in the Income Statement	3,690	1,612

Notes to the financial statements (continued)

for the 66 weeks ended 3 July 2022

11. Tax (continued)

(c) Changes to UK Corporation Tax

The standard rate of Corporation Tax in the UK is 19% with effect from 1 April 2017. Accordingly, the Company's profits for this accounting period are taxed at an effective rate of 19%.

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. Deferred taxes on the balance sheet have been measured at 25% (2021 – 19%) which represents the future corporation tax rate that was enacted at the balance sheet date.

As at the balance sheet date the expected future rate of corporation tax was 25%, and as such deferred tax continues to be recognised at 25% in the attached calculations.

12. Ordinary dividends on equity shares to parent company

	66 weeks ended 3 July 2022 £000	52 weeks ended 28 March 2021 £000
Dividends payable on ordinary shares to parent company	1,250	1,000

In the period £1,250k of equity dividends are payable to Furniture Village Group Limited for the ordinary shares (52 weeks ended 28 March 2021 – £1,000k). Ordinary dividends are paid solely for the funding of the parent company, Furniture Village Group Limited, which holds 100% of the ordinary share capital of Furniture Village Limited.

13. Intangible fixed assets

	Software £000	Website £000	Total £000
Cost:			
At 28 March 2021	2,943	2,507	5,450
Additions	720	522	1,242
Disposals	(1,742)	(10)	(1,752)
At 3 July 2022	1,921	3,019	4,940
Amortisation:			
At 28 March 2021	1,197	1,461	2,658
Provided during the period	162	781	943
Disposals	(210)	(8)	(218)
At 3 July 2022	1,149	2,234	3,383
Carrying amount at 3 July 2022	772	785	1,557
Carrying amount at 28 March 2021	1,746	1,046	2,792

The carrying amount of the Company's software at 3 July 2022 includes £nil (28 March 2021 – £nil) in respect of assets held under finance leases and hire purchase contracts.

Notes to the financial statements (continued)

for the 66 weeks ended 3 July 2022

14. Tangible fixed assets

	Leasehold property £000	Fixtures and fittings £000	Equipment £000	Total £000
Cost or valuation:				
At 28 March 2021	62,275	5,801	4,148	72,224
Additions	5,226	980	1,444	7,650
Disposals	(1,100)	(66)	(687)	(1,853)
Property Revaluation	3,202	–	–	3,202
At 3 July 2022	69,603	6,715	4,905	81,223
Depreciation:				
At 28 March 2021	34,068	3,147	3,100	40,315
Provided during the period	5,666	587	676	6,929
Disposals	(1,070)	(61)	(626)	(1,757)
At 3 July 2022	38,664	3,673	3,150	45,487
Carrying amount at 3 July 2022	30,939	3,042	1,755	35,736
Carrying amount at 28 March 2021	28,207	2,654	1,048	31,909

On completion of contracts to extend store leases, leasehold property assets are revalued to reflect the fair value based on replacement cost.

15. Stocks

	3 July 2022 £000	28 March 2021 £000
Finished goods for resale	18,708	16,651

Finished goods for resale recognised as an expense in cost of sales for the period were £235,488k (52 weeks ended 28 March 2021 - £127,587k). The stock provision charge included in cost of sales for the 66 weeks ended 3 July 2022 was £666k (52 weeks ended 28 March 2021 - £847k).

16. Debtors

	3 July 2022 £000	28 March 2021 £000
Trade debtors	7,094	2,580
Other debtors	850	625
Prepayments	14,699	9,717
Owed by ultimate parent company – Furniture Village Holdings Ltd	42,289	35,581
	64,932	48,503

All the trade debtors' amounts are due to be settled within 12 months. The trade debtors' provision related to bad debts, included in administrative expenses for the 66 weeks ended 3 July 2022 was £25k (52 weeks ended 28 March 2021 - £25k).

Notes to the financial statements (continued)

for the 66 weeks ended 3 July 2022

17. Creditors: amounts falling due within one period

	3 July 2022 £000	28 March 2021 £000
Deposits on goods not yet delivered	29,015	19,136
Trade creditors	49,320	42,349
Corporation tax	1,149	1,249
Other taxes and social security costs	6,212	9,001
Other creditors and accruals	20,764	18,887
Owed to parent company – Furniture Village Group Limited	19,710	18,238
	<u>126,170</u>	<u>108,860</u>

The intercompany balance owed to Furniture Village Group Limited is repayable on demand.

18. Preference shares

	3 July 2022 £000	28 March 2021 £000
<i>Allotted, called up and fully paid</i>		
Cumulative preference shares of £1 (on which a total dividend of £96,000 is payable)		
– Number of shares – 1,400,000 (2020 – 1,400,000)	1,400	1,400
7.2% Cumulative redeemable preference shares of £1 each		
– Number of shares – 1,750,000 (2020 – 1,750,000)	1,750	1,750
	<u>3,150</u>	<u>3,150</u>

The cumulative redeemable preference shares were due to be redeemed by 31 December 2003. However, the parent company has exercised the right to roll this redemption date forward and has not specified a future redemption date. Dividends on preference shares are payable quarterly in arrears to the parent company. Furniture Village Group Limited has the right to redeem these preference shares and they are redeemable at par. Furniture Village Group Limited has stated it will not redeem these preference shares within the next period.

19. Provisions for liabilities

	Provision for dilapidations £000	Deferred tax £000	Total £000
At 28 March 2021	1,602	1,357	2,959
Increased provision during the current period	715	-	715
Deferred tax adjustment in respect of prior years	-	3	3
Deferred tax charged to the income statement	-	919	919
Deferred tax charged in other comprehensive income	-	279	279
At 3 July 2022	<u>2,317</u>	<u>2,558</u>	<u>4,875</u>

Notes to the financial statements (continued)

for the 66 weeks ended 3 July 2022

19. Provisions for liabilities (continued)

Deferred Tax provision is made up of timing differences between fixed assets realised through use.

Dilapidation provision is a provision made under the terms of the lease to restore the premises to the original condition. It was calculated based on expected costs to restore the premises we are leasing to the original condition, on expiry of the lease or should the lease be otherwise terminated by either party. All the lease expiry dates fall between one and seven years. The impact of discounting the dilapidation provision is not material.

The deferred tax consists of:

	3 July 2022 £000	28 March 2021 £000
<i>Deferred tax liability</i>		
Fixed asset timing differences	2,029	951
Short term timing differences	(54)	(37)
Non-trading timing differences	583	443
Total deferred tax liability	2,558	1,357

	3 July 2022 £000	28 March 2021 £000
<i>Deferred tax assets</i>		
Recognition after 12 months	(54)	(37)
Total deferred tax asset	(54)	(37)

	3 July 2022 £000	28 March 2021 £000
<i>Deferred tax liabilities</i>		
Payable within 12 months	581	31
Payable after 12 months	2,031	1,363
Total deferred tax liability	2,612	1,394

20. Issued equity share capital

		3 July 2022 £000		28 March 2021 £000
<i>Allotted, called up and fully paid</i>	No.		No.	
'A' ordinary shares of £1 each	150,000	150	150,000	150
'B' ordinary shares of £1 each	500,340	500	500,340	500
		650		650

All of the ordinary shares rank pari passu. The share premium reserve records the amount above the nominal value received for shares sold, less transactions costs.

Notes to the financial statements (continued)

for the 66 weeks ended 3 July 2022

21. Notes to the statement of cash flows

(a) Reconciliation of operating profit/(loss) to net cash inflow from operating activities

	66 weeks ended 3 July 2022 £000	52 weeks ended 28 March 2021 £000
Operating profit/(loss)	16,579	8,304
Depreciation	6,929	4,866
Amortisation	943	545
Increase in stocks	(2,057)	(723)
Increase in non-intercompany debtors	(9,721)	(719)
Increase in non-intercompany creditors	16,653	6,630
Increase in intercompany debtors	(6,708)	(992)
Increase in intercompany creditors	1,472	1,222
Net cash inflow from continuing operating activities	24,090	19,133

(b) Analysis of cash

	28 March 2021 £000	Cash flow £000	3 July 2022 £000
Cash	37,626	10,923	48,549
	37,626	10,923	48,549

(c) Restricted cash

The cash and cash equivalent balance disclosed above and in the statement of cash flows includes £17,500k (52 weeks ended 28 March 2021 £19,850k) held by Cardnet Merchant Services Limited as security against customer payments received by the Company ahead of the fulfilment of customer orders.

22. Capital commitments

Future committed capital expenditure, not otherwise included in these financial statements is as follows:

	3 July 2022 £000	28 March 2021 £000
Authorised by the directors and contracted for	-	-
	-	-

Notes to the financial statements (continued)

for the 66 weeks ended 3 July 2022

23. Pension arrangements

The Company operates a defined contribution pension scheme for eligible employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. Accrued contributions as at 3 July 2022 amounted to £nil (28 March 2021 – £nil).

24. Operating leases

Operating lease commitments:

In respect of leases, the following future minimum rentals payable under non-cancellable operating leases are as follows:

	Land and buildings	Land and buildings	Other	Other
	3 July 2022	28 March 2021	3 July 2022	28 March 2021
	£000	£000	£000	£000
Operating leases which expire:				
Within one period	23,126	23,279	1,301	1,374
In two to five periods	84,447	89,081	2,778	2,283
In over five periods	61,839	73,336	119	–
	<u>169,412</u>	<u>185,696</u>	<u>4,198</u>	<u>3,657</u>

Operating lease income:

The following future minimum rentals receivable under non-cancellable operating leases for retail space sublet to a third-party retailer are as follows:

	Other Operating Income	Other Operating Income
	3 July 2022	28 March 2021
	£000	£000
Operating leases which expire:		
Within one period	622	1,156
In two to five periods	134	1,265
In over five periods	–	–
	<u>756</u>	<u>2,421</u>

25. Related party transactions

Key management personnel

All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the Company are considered to be key management personnel.

As part of their employment the directors and employees can purchase goods from the company at a discount. The amount of goods purchased by the directors is not considered to be material either to the company or to the individuals. The discounts for the directors are on the same terms as those of all other employees. Loans comprise of the Business Growth Fund (related party) long term loan.

The company has taken advantage of the exemption allowed under FRS 102 'Related Party Disclosures', from disclosing transactions with related parties that are part of the Furniture Village Holdings Limited Group, as the company is a 100% subsidiary of a group whose financial statements are publicly available.

Notes to the financial statements (continued)

for the 66 weeks ended 3 July 2022

26. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Furniture Village Group Limited, registered in England and Wales.

In the directors' opinion, the company's ultimate parent undertaking and controlling party is Furniture Village Holdings Limited, registered in England and Wales. Group financial statements are prepared by Furniture Village Holdings Limited and are available from the registered office at 258 Bath Road, Slough, SL1 4DX.

27. Events subsequent to the Statement of Financial Position date

Since the Statement of Financial Position date, the Group has exchanged contracts on a new store in Colchester.

It has long been an ambition for the business to be a 'family partnership', one that is a limited liability company solely owned by the founding family and a business that provides the opportunity for all to truly share in the rewards of their efforts. This ambition has been a patient priority of the founders and executives of the business for some considerable time and we are pleased to confirm that a successful share buy-back arrangement was concluded on 30 November 2022, with the only remaining shareholders being the directors P J Harrison and C G Harrison as well as our Employment Benefit Trust.