

Registered No. 02307708

Furniture Village Limited

Annual Report and Financial Statements

For the 52 weeks ended 30 June 2024

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Officers and professional advisors

Directors

P J Harrison (Executive Chairman)
C G Harrison
E G Wynne
M Broughton (Resigned 5 April 2024)
N J Hipkiss
D S Ayers
C J Cooper
J Price (Appointed 1 July 2024)

Non-executive Directors

Rt Hon S McPartland MP
M Cowan

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 52 weeks ended 30 June 2024.

The Furniture Village 'Group' consists of Furniture Village Limited, the trading company, owned 100% by Furniture Village Group Limited, which in turn is owned 100% by the ultimate parent company Furniture Village Holdings Limited. As such, the Strategic Report below contains extracts from the consolidated accounts of the group due to its direct relevance to Furniture Village Limited.

Principal activity

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

Share Buy-back

A long-held ambition of the business was to be a 'family partnership', one that is a limited liability company, owned by the founding family and a business that provides the opportunity for all who work in it to truly share in the rewards of their efforts.

That ambition was realised through a successful share buy-back arrangement concluded on 30 November 2022. The shareholders at the date of this report are the Directors P J Harrison and C G Harrison, family member K A Stevens, and our Employment Benefit Trust.

All funds associated with this buyout were covered from within the company's existing cash and capital reserves, which more than adequately support the share purchases. The details of the share buy-back are fully disclosed in these financial statements.

Review of the business

We remain a product led and marketing driven business, with our people and our customers at the heart of everything we do. Our culture is firmly rooted in our core 'family values', carefully positioned alongside an ambition to continue building a successful, growing business, one in which everyone has a desire to do well and where everyone can share in the rewards of their efforts

The ongoing investment in our people, our stores, our digital capability and importantly our product offer throughout sometimes volatile trading cycles, has certainly created a resilient, agile and united business.

Whilst we are all aware of the economic headwinds that faced retail in general and big ticket in particular over this past year, our belief remains that there will always be a market for good quality, good value, home furnishings, presented well and served right.

We are therefore very proud to announce improved results for the year ended June 2024, in fact a record profit for the year outside the immediate post Covid period. Our order intake was up some 3% on a 'like for like' basis, which together with improved margins and strong cost controls enabled us to produce an even stronger trading performance than the previous year.

Whilst the troubles in the Middle East, and Suez in particular, caused a degree of disruption to deliveries and resulted in Revenue (Delivered Sales) being slightly down year on year, our supply chain and fulfilment teams were able to work smartly to contain the disruption to a minimum.

Strategic Report (continued)

Financial Key Performance Indicators (KPI's):

	52 Weeks 2024	52 weeks 2023	Total Change
Revenue or Deliveries (net of Vat)	£348.9m	£358.8m	(£9.9m)
Gross Profit %	47.8%	46.0%	+1.8pp
EBITDA*	£16.3m	£15.8m	£0.5m
Profit after taxation	£6.0m	£5.8m	£0.2m
Cash Balance	£40.6m	£35.2m	£5.4m

*Earnings Before Interest, Tax, Depreciation and Amortisation

As noted earlier in this report, our order intake was up some 3% on a 'like for like' basis in 2024. Revenue in 2023 was inflated by the catch up of Covid related disruption in the previous year, so the two years are not directly comparable and the drop in Revenue is therefore not reflective of the strength of the underlying trading performance. We have further enhanced our Gross Profit percentage by working very closely with our carefully selected suppliers, including expanding our backing stock programme. Continued good cost control and a concerted effort to improve efficiencies and eliminate waste, meant that we generated a very healthy EBITDA of £16.3 million (2023 £15.8 million), despite the slight drop in Revenue.

From the conception of Furniture Village in 1989, we always wanted a business where everyone who worked within it could share in the rewards of their efforts, over and above the standard practice of commission and performance related bonuses. With the share buyback in October 2022 resulting in the business becoming 100% family owned, we were able to implement a companywide profit-sharing scheme known as the 'Family Partnership'.

The Operating Profit before Family Partnership of just over £11 million for the year ended 30 June 2024 far exceeded the prior year (2023: £9 million) and the budget we set ourselves. The additional profit generated from this outperformance has enabled us to almost double the amount paid out in our Family Partnership Profit Share scheme this year to around 1,050 of our employees of circa £2.3 million (2023: £1.3 million to just over 1,000 employees).

Our people remain our greatest asset and are key to our success and so, in addition to the Family Partnership Profit Share scheme, we continue to invest in them and ensure they remain amongst the best rewarded in the industry. Following on from receiving 'World Class' accreditation from our people through the Best Companies survey in 2023, we again received that in 2024. Furthermore, we were again ranked in the Top 5 large businesses to work for in the UK and in addition this year we achieved placing as top retailer in the country to work for. We are very proud of these achievements and remain committed to continue investing in our people in future.

The business model remains highly cash generative, and the strong cash inflow from continuing operating activities produced a healthy closing cash position of £40.6 million, underpinning the improving resilience of the business and providing a capacity to continue to grow organically.

We are acutely aware that improving performance is not guaranteed, especially in the big-ticket sector, which is often more sensitive to economic and political fluctuations. However, our commitment to taking care of our customers and, most importantly, our own people has proven invaluable during these uncertain times. We firmly believe in bringing our people along with us, and these results are a testament to their extraordinary efforts, for which we are immensely grateful. The same goes for all our highly valued suppliers whom themselves have battled against the same difficult trading conditions as a result of various economic and political challenges.

Strategic Report (continued)

Once again, we believe we have demonstrated that it is possible to be profitable and cash generative yet still 'do it properly', as we say. We have no borrowings and no external shareholders, but sufficient funds to continue to grow organically by investing in both new and existing stores as well as our complimentary online presence.

We expanded our physical store portfolio during the year opening a new Lincoln store in June 2024. In addition, we relocated our Friern Barnet store to Staples Corner in December 2023. The portfolio of physical stores at 30 June 2024 was therefore 56 stores (June 2023: 55 stores), extending physical 'reach' across most of England.

Outlook

Whilst cost of living pressures have abated somewhat, and the last six months has seen some green shoots in the wider economy, interest rates remain high, and pressures persist on the disposable incomes of most consumers. In line with many retail sectors, particularly big-ticket, we continue to be aware that consumer sentiment remains fragile and that, in addition, the international geopolitical environment remains quite volatile and unpredictable. Despite this, we have seen an improvement in footfall into our stores in this new financial year and, together with improved conversion rates, has meant that we have traded strongly over these first six months. Order intake over the first 29 weeks has shown a like for like increase of 9% against the 2023/24 year.

We will always adopt a cautious and considered approach, but at the same time we remain inherently an ambitious business. We will therefore always set our stall out to take additional market share to compensate for any weakness in market demand. We remain confident, but not arrogant, in the appeal of our offer and more importantly in the capacity and desire of our people to continue to respond with belief, skill, enthusiasm, determination and the resoluteness required to increase market share despite the market.

Throughout the years we have been very thoughtful and deliberate in our expansion strategy and our plans are to continue to grow in a sensible, measured way, taking advantage of the right opportunities when they become available. We recently opened our first store in Edinburgh, Scotland on Boxing Day 2024. That store is trading ahead of expectations, and we intend for it to be swiftly followed by three or four more.

Fully recognising the immense opportunities presented by ever-improving technology, we are also investing substantially in a new ERP system which will be up and running in the next 18 to 24 months. We are similarly very grateful to our chosen implementation partners, Sci>Net, and many of our own highly skilled personnel for helping us to undertake this project and we look forward to bringing it home successfully in the 2026/27 financial year.

Our assessment is that trading conditions will remain uncertain for some time, but we do believe that demand will improve during the 2025 calendar year. We are, however, aware the recent government tax changes announced in the budget could impact unemployment, inflation and the capacity of employers to continue to make meaningful wage awards, all of which could impact disposable incomes and consumer demand.

That all said, we never fail to be impressed by the consumers' resilience and appetite to 'buy nice things from nice people, who serve them right!' Our stance is to recognise that there will always be a market for good quality furniture and beds, sensibly priced, well-presented, and served by professionals who care and are well rewarded accordingly. History teaches us that the market shrinks and expands depending upon prevailing consumer confidence and economic conditions, so it is up to individual businesses to deal with these variations in the best way that they can.

Strategic Report (continued)

The Group Senior Leadership Team remains focused on controlling those things which remain within our control whilst remaining alert and agile to deal with the unexpected. We have faced many different trading conditions in the last 35 years and always 'found a way' to perform and prosper. The Board believes that we are well positioned to successfully navigate whatever market we face, being well placed to take advantage of opportunities that will always exist to grow market share, emerging at the end of this year stronger than ever.

Principal Risks and Uncertainties

All risks, uncertainties and opportunities are monitored on an ongoing basis by the Directors and strategies are developed as appropriate to mitigate against identified risks and minimise their impact on the business, whilst also seeking to take advantage of opportunities to grow and expand the business. The principal risks 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. The Directors believe that continual focus on customer value, reputation, employee engagement and being 'fleet of foot' to react to changes in market sentiment will ensure the Company is well placed to manage through this risk in future.

We continue to invest in both the digital platform and stores, seeking to be truly multi-channel and remain 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 before committing to a purchase.

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 rigorous financial appraisal and foreign exchange risks are managed using forward purchases as appropriate.

IT systems, Cyber Crime and General Data Protection Regulation (GDPR) risk

Our investment in Information Technology (IT) has always been aimed at improving both the customer experience as well as operational efficiencies. We therefore understand the important role that IT plays across our business in allowing us to trade effectively and efficiently. We also recognise that sustained performance issues, or major disruption, could constitute a significant risk to our business.

Robust security measures and recovery plans are in place to mitigate this risk. In May 2021, the group was subject to a sophisticated Cyber Incident, the impact of which was significantly mitigated due to the existing security in place and no customer data was lost.

Investment is currently underway in implementing a modern, cloud-based enterprise resource planning (ERP) system which will further enhance the customer experience, strengthen and improve operational efficiencies and further increase security.

Since the introduction of GDPR we have robust policies in place to ensure we comply with all aspects of the regulations.

Strategic Report (continued)

Operational risk

Store and fulfilment 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 can 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 Holdings 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 52 weeks ended 30 June 2024. 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.

Our People

Our people are what makes 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.

Strategic Report (continued)

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.

In 2023, we introduced the Family Partnership Profit Share Scheme, which provides an opportunity for all employees with more than a year's service to share in the profits of the business. That is in addition to all other bonus and incentive schemes and has been very well received by all in the business. The existence of profits to share will depend annually upon the financial performance and needs of the business, but it is an aspiration of the Directors to ensure that opportunity exists annually.

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

In November 2022 an amicable financial arrangement was reached with the Business Growth Fund ('BGF') and other shareholders which enabled the business to buy-back their shareholdings and they ceased to be shareholders in the business. The only shareholders at the date of this report are the Directors P J Harrison and C G Harrison, family member K A Stevens, and our Employment Benefit Trust.

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 twelve hundred 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 G Wynne
Director
Date

Directors' Report

The directors present their report and financial statements for the 52 weeks ended 30 June 2024.

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 £6,273k (52 weeks ended 2 July 2023: £6,523k). The net assets of the Company were £32,403k (52 weeks ended 2 July 2023: £27,259k).

The directors recommend the payment of an intercompany dividend of £2,000k to Furniture Village Group Ltd (52 weeks ended 2 July 2023 £15,000k). The company also paid an intercompany non-equity preference share dividend of £222k to Furniture Village Group Ltd (52 weeks ended 2 July 2023 £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 EBITDA and cash.

Going concern

The Group had net assets of £15,899k (2023: £10,310k) and cash at year end was £40,551k (2023: £35,168k) 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, during the prior year. This transaction was funded completely out of internally generated funds. Available cash remains in excess of £40m 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 28 June 2026, 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 downside scenarios to reflect differing market conditions and challenges. The Directors have also assessed the feasibility of implementing mitigating measures to reduce the impact of such downside scenarios on cash reserves should it be required. 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.

Directors' Report (continued)

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. In addition, a Family Partnership Profit Share Scheme was implemented during the period ended 2 July 2023 in terms of which profits exceeding an annually agreed level are shared amongst all eligible employees and has continued during the current period.

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 Holdings 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 3 July 2023 to 30 June 2024, reporting all material GHG emissions using "Tonnes of CO₂ equivalent" (tCO₂e) as the unit of measurement and reporting energy use in kWh.

	2023-24	2022-23
Energy consumption used to calculate emissions:	17,202,542 kWh	24,819,234 kWh
Emissions from combustion of gas (Scope 1)	187 tCO ₂ e	169 tCO ₂ e
Emissions from combustion of fuel for transport purposes (Scope 1)	1,293 tCO ₂ e	1,891 tCO ₂ e
Emissions from business travel in rental cars or employee-owned vehicles where Company is responsible for purchasing the fuel (Scope 3)	11 tCO ₂ e	48 tCO ₂ e
Emissions from purchased electricity (Scope 2, location-based)	2,220 tCO ₂ e	2,355 tCO ₂ e
Total gross CO₂e based on above	3,711 tCO₂e	4,463 tCO₂e
Intensity ratio: tCO₂e g per £100,000 revenue	10.64	12.44

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

Directors' Report (continued)

Energy Efficiency Action Taken

The Business has signed up to the British Retail Consortium Climate Action Roadmap which is the retail industry's commitment to deliver net zero in their own operations and the products they sell by 2040. The Roadmap is supported by most UK retailers who have come together in an effort to collaborate in finding practical solutions to the challenge of reducing carbon. We are currently on track to deliver on our commitment to be Net Zero in our own operations and the products we sell by 2040 at the latest.

Regarding the property portfolio, the Business continues to monitor consumption on a monthly basis and remains alert to identifying and implementing additional efficiency opportunities. All our new stores have been entirely illuminated by LED lighting since 2015 and in 2022/23 we replaced fluorescent lighting with LEDs at five additional stores. During 2023/24 we successfully converted 11 stores to full LED lighting with 20 more stores similarly converted by the end of Q1 2024/25. All our stores are now illuminated entirely by LED lighting save for one which is planned to be subject to a more extensive refit when this will be addressed.

In addition, three of our fulfilment sites are fully illuminated by LED lighting and we are working on what is required at the remaining eight fulfilment sites currently using incandescent lighting in order to upgrade these to 100% LED lighting and bring the same energy efficiency benefits to this side of the business and complete our entire estate's transition to full LED lighting.

In October 2024 we renewed our electricity supply contract for a period of two years with the supply again being purchased via Renewable Energy Guarantees of Origin. We are also working with our energy consultants in relation to subscribing to a web portal solution that should enable almost immediate access to consumption data in order to better monitor our use and identify potential issues/opportunities.

The Business previously took the decision to move its company car fleet upon renewal to electric vehicles and all fleet cars are now electric. This continues to contribute to maintaining low emissions during the year.

Following on from the work we did last year, replacing vehicles to achieve better fuel efficiencies, we continue to improve our telematics, with enhanced feedback on driver behaviours. This has helped us identify improvements in road speeds, awareness, braking techniques and idling times, thus reducing our carbon footprint even further, whilst we identify an alternative fuel solution to Diesel.

We have made productive steps with electric commercial vehicles by trialling vehicles from two manufacturers. That has helped us establish that we could enhance range and electric vehicle options by working with our body builders to identify weight savings and improve load capacity. We are about to commence trials with two more manufacturers and are excited to be close to making the step into commercial electric vehicles for home delivery in Furniture Village.

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
N J Hipkiss
D S Ayers
C J Cooper
J Price

Directors' Report (continued)

Our former Chief Information Officer and Main Board Director, Mike Broughton, sadly passed away in April 2024. Mike was a great friend to us all and a highly valued member of our FV Family, always being on hand to provide advice and encouragement. His contribution to our business is hugely appreciated and he will be fondly remembered by us all.

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
M Cowan

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.

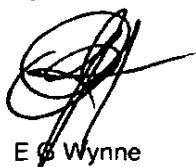
Elective resolution and auditors

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.

Events occurring after the Statement of Financial Position date

Since the Statement of Financial Position date, the Group has opened a new store in Straiton Retail Park, Straiton, Loanhead, Edinburgh, Scotland and the store is currently trading well ahead of expectations.

By order of the Board



E G Wynne
Director
Date

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 52 weeks ended 30 June 2024

	Note	52 weeks ended 30 June 2024 £000	52 weeks ended 2 July 2023 £000
Revenue	2	348,873	358,781
Cost of sales		(182,036)	(193,771)
Gross profit		166,837	165,010
Distribution costs		(97,104)	(93,838)
Administrative expenses		(61,378)	(63,995)
Other operating income	3	1,103	1,203
Operating profit before cost of new/re-launched stores		9,458	8,380
New and re-launched stores		(334)	(232)
Operating profit		9,124	8,148
Loss on disposal of intangible and tangible fixed assets	4	(400)	(16)
Profit before interest and tax	5	8,724	8,132
Interest receivable and similar income	9	1,456	391
Interest payable and similar charges	10	(314)	(249)
Profit on ordinary activities before taxation		9,866	8,274
Tax charge	11	(3,593)	(1,751)
Profit for the financial period		6,273	6,523

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 52 weeks ended 30 June 2024

		52 weeks ended 30 June 2024 £000	52 weeks ended 2 July 2023 £000
	Note		
Profit for the financial period		6,273	6,523
Other comprehensive income			
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods</i>			
Net loss on cash flow hedges		(29)	(102)
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods</i>			
Revaluation of the website	13	–	241
Revaluation of leasehold property	14	881	494
Credit/(Charge) on deferred tax arising on the revaluation reserve	11	19	(184)
Total comprehensive income		7,144	6,972

Statement of change in equity

for the 52 weeks ended 30 June 2024

	Note	Share capital £000	Share premium £000	Revaluation reserve £000	Cash flow hedge reserves £000	Profit and loss reserve £000	Total share- holders' funds £000
At 3 July 2022		650	274	8,965	–	25,398	35,287
Profit for the financial period		–	–	–	–	6,523	6,523
Other comprehensive income		–	–	551	(102)	–	449
Total comprehensive income		–	–	551	(102)	6,523	6,972
Transfer from revaluation reserve to profit and loss reserve		–	–	(2,643)	–	2,643	–
Ordinary dividends paid to parent undertaking	12	–	–	–	–	(15,000)	(15,000)
At 2 July 2023		650	274	6,873	(102)	19,564	27,259
Profit for the financial period		–	–	–	–	6,273	6,273
Other comprehensive income		–	–	900	(29)	–	871
Total comprehensive income		–	–	900	(29)	6,273	7,144
Transfer from revaluation reserve to profit and loss reserve		–	–	(1,270)	–	1,270	–
Ordinary dividends paid to parent undertaking	12	–	–	–	–	(2,000)	(2,000)
At 30 June 2024		650	274	6,503	(131)	25,107	32,403

Statement of Financial Position

at 30 June 2024

	Note	30 June 2024 £000	2 July 2023 £000
Assets			
Non-current assets			
Intangible assets	13	1,964	1,975
Tangible assets	14	32,275	34,337
Total non-current assets		34,239	36,312
Current assets			
Stock	15	18,349	19,706
Debtors	16	83,325	80,375
Cash	22(b)	40,542	35,159
Total current assets		142,216	135,240
Total assets		176,455	171,552
Liabilities			
Non-current liabilities			
Preference shares	17	(3,150)	(3,150)
Provision for liabilities	18	(5,682)	(5,453)
Total non-current liabilities		(8,832)	(8,603)
Creditors: amounts falling due within one period	19	(135,220)	(135,690)
Total liabilities		(144,052)	(144,293)
Net assets		32,403	27,259
Capital and reserves			
Called up share capital	20	650	650
Share premium account		274	274
Profit and loss reserve		25,107	19,564
Asset revaluation reserve		6,503	6,873
Other reserves	21	(131)	(102)
Total equity		32,403	27,259

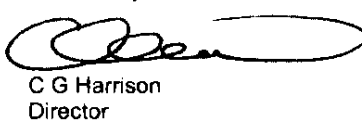
For the 52 weeks ending 30 June 2024 the Company was entitled to exemption from audit under s479A of the Companies Act 2006 relating to subsidiary companies.

Directors responsibilities:

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

The financial statements on pages 13 to 34 were authorised for issue by the Board of directors on 13 February 2025 and were signed on its behalf by:


P J Harrison
Director


C G Harrison
Director

Statement of cash flows

for the 52 weeks ended 30 June 2024

	Note	52 weeks ended 30 June 2024 £000	52 weeks ended 2 July 2023 £000
Net cash inflow from operating activities	22(a)	11,292	7,481
Investing activities			
Interest received		1,456	391
Payments to acquire tangible fixed assets		(4,152)	(4,868)
Payments to acquire intangible fixed assets		(899)	(1,145)
Net cash outflow from investing activities		(3,595)	(5,622)
Financing activities			
Intercompany preference dividend paid to parent company		(222)	(222)
Other interest paid		(92)	(27)
Equity dividend paid to parent company	12	(2,000)	(15,000)
Net cash outflow from financing activities		(2,314)	(15,249)
Change in cash resulting from cash flows	22(b)	5,383	(13,390)
Cash at beginning of financial period	22(b)	35,159	48,549
Cash at end of financial period	22(b)	40,542	35,159

Notes to the financial statements

for the 52 weeks ended 30 June 2024

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 52 weeks ended 30 June 2024.

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.

Notes to the financial statements (continued)

for the 52 weeks ended 30 June 2024

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 £15,899k (2023: £10,310k) and cash at year end was £40,551k (2023: £35,168k) 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, during the prior year. This transaction was funded completely out of internally generated funds. Available cash remains in excess of £40m 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 28 June 2026, 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 downside scenarios to reflect differing market conditions and challenges. The Directors have also assessed the feasibility of implementing mitigating measures to reduce the impact of such downside scenarios on cash reserves should it be required. 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 including website costs 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 52 weeks ended 30 June 2024

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.

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, restricted deposits held with financial institutions and cash that is contractually obliged and in transit to the company.

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 52 weeks ended 30 June 2024

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.

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.

Hedge accounting

The company uses derivative financial instruments such as forward currency contracts to hedge its risks associated with foreign currency. Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. For those derivatives designated as hedges and for which hedge accounting is desired, the hedging relationship is formally designated and documented at its inception. This documentation identifies the risk management objective and strategy for undertaking the hedge, the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how effectiveness will be measured throughout its duration. Such hedges are expected at inception to be highly effective in offsetting changes in cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the reporting period for which they were designated.

Notes to the financial statements (continued)

for the 52 weeks ended 30 June 2024

1. Accounting policies (continued)

For the purpose of hedge accounting, hedges are classified as:

- a) Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment; or
- b) Cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction; or
- c) Hedges of a net investment in a foreign operation.

A hedge of the foreign currency risk of a firm commitment is accounted for as a cash flow hedge. Any gains or losses arising from changes in the fair value of derivatives that do not qualify for hedge accounting are taken to the income statement.

Cash flow hedges

For cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognised directly as other comprehensive income, while the ineffective portion is recognised in the income statement. Amounts taken to other comprehensive income are transferred to the income statement when the hedged transaction affects the income statement. If a forecast transaction is no longer expected to occur, amounts previously recognised in equity are transferred to the income statement. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in other comprehensive income remain in other comprehensive income until the forecast transaction occurs and are transferred to the income statement. If the related transaction is not expected to occur, the amount is taken to the income statement. The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecasted transactions and firm commitments.

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.

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.

Notes to the financial statements (continued)

for the 52 weeks ended 30 June 2024

1. Accounting policies (continued)

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 52 weeks ended 30 June 2024

3. Other operating income

	52 weeks ended 30 June 2024 £000	52 weeks ended 2 July 2023 £000
Concession income	1,103	1,203

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

4. Loss on disposal of fixed assets

	52 weeks ended 30 June 2024 £000	52 weeks ended 2 July 2023 £000
Loss on disposal of tangible and intangible assets	(400)	(16)

5. Profit before interest and tax

This is stated after charging:

	52 weeks ended 30 June 2024 £000	52 weeks ended 2 July 2023 £000
Auditors' and associates' remuneration	199	200
Depreciation of owned assets	6,712	6,745
Amortisation of intangible assets	893	968
Operating lease rentals – Property	23,887	23,638
Operating lease rentals – Other	2,513	2,044

6. Auditor's remuneration

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

	52 weeks ended 30 June 2024 £000	52 weeks ended 2 July 2023 £000
<i>Audit services</i>		
Audit of the financial statements	161	147
<i>Non-audit services</i>		
Taxation compliance services	38	53
Total audit and associates' remuneration	199	200

Notes to the financial statements (continued)

for the 52 weeks ended 30 June 2024

7. Directors' remuneration

	52 weeks ended 30 June 2024 £000	52 weeks ended 2 July 2023 £000
Aggregate remuneration in respect of qualifying services	2,055	2,395
Company contributions paid to money purchase pension schemes	61	54
Number of directors in respect of qualifying services	9	11
Members of money purchase pension scheme	8	9

Members of money purchase pension scheme The amounts in respect of the highest paid director were aggregate remuneration of £385k (52 weeks ended 2 July 2023 – £569k) and Company contributions paid to pension schemes of £nil (52 weeks ended 2 July 2023 – nil). Directors' remuneration includes bonuses relating to the period in which they accrue, although these may be paid after the period end.

8. Staff costs

	52 weeks ended 30 June 2024 £000	52 weeks ended 2 July 2023 £000
Wages and salaries	54,670	51,998
Social security costs	6,009	5,893
Pension costs	2,133	1,949
	62,812	59,840

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

	52 weeks ended 30 June 2024 £000	52 weeks ended 2 July 2023 £000
Office and management	142	148
Retailing and distribution	1,071	1,059
	1,213	1,207

9. Interest receivable and similar income

	52 weeks ended 30 June 2024 £000	52 weeks ended 2 July 2023 £000
Bank Interest	1,456	391

Notes to the financial statements (continued)

for the 52 weeks ended 30 June 2024

10. Interest payable and similar charges

	52 weeks ended 30 June 2024 £000	52 weeks ended 2 July 2023 £000
Dividends payable on non-equity preference shares to parent company	222	222
Other interest	92	27
	314	249

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.

11. Tax

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

The tax is made up as follows:

	52 weeks ended 30 June 2024 £000	52 weeks ended 2 July 2023 £000
Current tax:		
UK corporation tax	3,457	2,996
Adjustment in respect of previous periods	(253)	(370)
Total current tax	3,204	2,626
Deferred tax:		
Origination and reversal of timing differences		
Current period	(20)	(977)
Prior period	409	316
Change of tax rates	–	(214)
Total deferred tax (note 18)	389	(875)
Total tax per income statement	3,593	1,751
Other comprehensive income items		
Deferred tax current year charge	41	184
		184

Notes to the financial statements (continued)

for the 52 weeks ended 30 June 2024

11. Tax (continued)

(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:

	52 weeks ended 30 June 2024 £000	52 weeks ended 2 July 2023 £000
Profit for the period	9,866	8,274
Tax on profit at standard UK tax rate of 20.50% (52 weeks ended 2 July 2023 – 19%)	2,467	1,696
Effects of:		
Expenses not deductible	996	620
Non-taxable income	(26)	(42)
Group relief/other reliefs	–	(1)
Heldover gains	–	(253)
Adjustment from previous periods	156	(54)
Tax rate changes	–	(215)
Tax charge for the period	3,593	1,751

(c) Changes to UK Corporation Tax

A change in the main UK corporation tax rate was announced in the Budget on 3 March 2021, as this new law was enacted within the reporting date its effects are included in the financial statements. From 1 April 2023 the main corporation tax rate for the company has increased from 19% to 25%. This has increase the company's future tax liabilities accordingly.

The rate change was substantially enacted on 24 May 2021, and it received Royal Assent on 10 June 2021.

12. Ordinary dividends on equity shares to parent company

	52 weeks ended 30 June 2024 £000	52 weeks ended 2 July 2023 £000
Dividends payable on ordinary shares to parent company	2,000	15,000

In the period £2,000k of equity dividends are payable to Furniture Village Group Limited for the ordinary shares (52 weeks ended 2 July 2023 – £15,000k). 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.

Notes to the financial statements (continued)

for the 52 weeks ended 30 June 2024

13. Intangible fixed assets

	Software £000	Website £000	Total £000
Cost:			
At 2 July 2023	2,620	3,679	6,299
Additions	468	431	899
Disposals	(17)	-	(17)
Revaluation			
At 30 June 2024	3,071	4,110	7,181
Amortisation:			
At 3 July 2023	1,426	2,898	4,324
Provided during the period	434	459	893
Disposals	-	-	-
At 30 June 2024	1,860	3,357	5,217
Carrying amount at 30 June 2024	1,211	753	1,964
Carrying amount at 2 July 2023	1,194	781	1,975

The carrying amount of the Company's software at 30 June 2024 includes £nil (2 July 2023 – £nil) in respect of assets held under finance leases and hire purchase contracts.

14. Tangible fixed assets

	Leasehold Property £000	Fixtures and fittings £000	Equipment £000	Total £000
Cost or valuation:				
At 2 July 2023	73,814	6,822	5,124	85,760
Additions	2,061	506	1,585	4,152
Disposals	(1,197)	(49)	(162)	(1,408)
Property revaluation	881	-	-	881
At 30 June 2024	75,559	7,279	6,547	89,385
Depreciation:				
At 2 July 2023	44,258	4,186	2,979	51,423
Provided during the period	5,396	532	784	6,712
Disposals	(936)	(41)	(48)	(1,025)
At 30 June 2024	48,718	4,677	3,715	57,110
Carrying amount at 30 June 2024	26,841	2,602	2,832	32,275
Carrying amount at 2 July 2023	29,556	2,636	2,145	34,337

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

Notes to the financial statements (continued)

for the 52 weeks ended 30 June 2024

15. Stocks

	30 June 2024 £000	2 July 2023 £000
Finished goods for resale	18,349	19,706

Finished goods for resale recognised as an expense in cost of sales for the period were £162,025k (52 weeks ended 2 July 2023 - £167,549k). The stock provision charge included in cost of sales for the 52 weeks ended 30 June 2024 was £557k (52 weeks ended 2 July 2023 – £542k).

16. Debtors

	30 June 2024 £000	2 July 2023 £000
Trade debtors	3,616	4,710
Other debtors	895	777
Prepayments	16,862	14,186
Owed by ultimate parent co. - Furniture Village Holdings Ltd	61,952	60,702
	83,325	80,375

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 52 weeks ended 30 June 2024 was £192k (52 weeks ended 2 July 2023 – £38k).

17. Preference shares

	30 June 2024 £000	2 July 2023 £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
	3,150	3,150

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.

Notes to the financial statements (continued)

for the 52 weeks ended 30 June 2024

18. Provisions for liabilities

	<i>Provision for dilapidations</i> £000	<i>Deferred tax</i> £000	<i>Total</i> £000
At 2 July 2023	3,586	1,867	5,453
Released provision during the current period	(141)	–	(141)
Deferred tax adjustment in respect of prior years	–	349	349
Deferred tax charged to the income statement	–	(20)	(20)
Deferred tax charged in other comprehensive income	–	41	41
At 30 June 2024	3,445	2,237	5,682

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:

	30 June 2024 £000	2 July 2023 £000
<i>Deferred tax liability</i>		
Fixed asset timing differences	2,305	1,959
Short term timing differences	(68)	(92)
Non-trading timing differences	–	–
Total deferred tax liability	2,237	1,867
<i>Deferred tax assets</i>		
Recognition after 12 months	(68)	(92)
Total deferred tax asset	(68)	(92)
<i>Deferred tax liabilities</i>		
Payable within 12 months	1,291	1,097
Payable after 12 months	1,014	862
Total deferred tax liability	2,305	1,959

Notes to the financial statements (continued)

for the 52 weeks ended 30 June 2024

19. Creditors: amounts falling due within one period

	30 June 2024 £000	2 July 2023 £000
Deposits on goods not yet delivered	19,261	21,189
Trade creditors	46,970	47,958
Corporation tax	2,277	2,136
Other taxes and social security costs	7,959	6,641
Other creditors and accruals	21,599	22,834
Owed to parent co. - Furniture Village Group Limited	37,154	34,932
	135,220	135,690

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

20. Issued equity share capital

	No.	30 June 2024 £000	No.	2 July 2023 £000
Allotted, called up and fully paid				
'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.

21. Other reserves

	30 June 2024 £000	2 July 2023 £000
Fair value hedging instrument net of recycled gain/(losses)	(131)	(102)
	(131)	(102)

The hedge reserve recognises the deferred gain/loss of the fair value forward contracts until the hedged item impacts profit and loss.

Notes to the financial statements (continued)

for the 52 weeks ended 30 June 2024

22. Notes to the statement of cash flows

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

	52 weeks ended 30 June 2024 £000	52 weeks ended 2 July 2023 £000
Operating profit	9,124	8,148
Depreciation	6,712	6,745
Amortisation	893	968
Decrease/(increase) in stocks	1,357	(998)
Decrease/(increase) in non-intercompany debtors	(1,700)	2,970
(Decrease)/increase in non-intercompany creditors	(2,974)	(5,420)
Increase in intercompany debtors	(1,250)	(18,413)
Increase in intercompany creditors	2,222	15,222
Change in fair value hedged item	(29)	(102)
Corporation tax paid	(3,063)	(1,639)
Net cash inflow from operating activities	11,292	7,481

(b) Analysis of cash

	2 July 2023 £000	Cash flow £000	30 June 2024 £000
Cash	35,159	5,383	40,542

(c) Restricted cash

The cash and cash equivalent balance disclosed above and in the statement of cash flows includes £10,000k (52 weeks ended 2 July 2023 £10,000k) held by Cardnet Merchant Services Limited as security against customer payments received by the Company ahead of the fulfilment of customer orders.

23. Capital commitments

There is no future committed capital expenditure not otherwise included in these financial statements (2 July 2023 – £nil).

24. 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 30 June 2024 amounted to £nil (2 July 2023 – £nil).

Notes to the financial statements (continued)

for the 52 weeks ended 30 June 2024

25. 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 30 June 2024 £000	Land and buildings 2 July 2023 £000	Other 30 June 2024 £000	Other 2 July 2023 £000
Operating leases which expire:				
Within one period	23,905	23,933	2,293	1,901
In two to five periods	77,351	81,463	3,415	3,557
In over five periods	44,070	50,791	–	–
	145,326	156,187	5,708	5,458

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 30 June 2024 £000	Other Operating Income 2 July 2023 £000
Operating leases which expire:		
Within one period	–	305
In two to five periods	–	–
	–	305

26. Financial instruments

	30 June 2024 £000	2 July 2023 £000
<i>Financial liabilities at fair value (hedge accounting)</i>		
Forward foreign currency contracts	139	165

The company uses hedge accounting to reduce exposure to foreign exchange rates. Derivative financial instruments are initially measured at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value through other comprehensive income for the effective portion. The fair value of the forward currency contracts is calculated by reference to current forward exchange contracts with similar maturity profiles. The fair value is recycled through profit and loss as the hedged item impacts profit and loss. The fair value of forward contracts included with in profit and loss for the 52 weeks ended 30 June 2024 - £55k credit (52 weeks ended 2 July 2023 - £63k charge).

Notes to the financial statements (continued)

for the 52 weeks ended 30 June 2024

27. 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.

28. 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.

29. Events subsequent to the Statement of Financial Position date

Since the Statement of Financial Position date, the Group has opened a new store in Straiton Retail Park, Straiton, Loanhead, Edinburgh, Scotland and the store is currently trading well ahead of expectations.