Registered No. 02307708

Furniture Village Limited

Report and Financial Statements

For the 52 weeks ended 28 March 2021

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Officers and professional advisors

Directors
J C Hodkinson (Non-executive Chairman)
P J Harrison
C E Shiels
C G Harrison
E Wynne
M Broughton (Appointed 1 April 2021)

Non-executive Directors
S McPartland MP

Secretary
C E Shiels

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 year ended 28 March 2021.

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.

Review of the Business

In line with many businesses, the year under review has been dominated by the impact of Covid19 and whilst it has not been without its challenges, we have emerged stronger than ever and are hugely grateful for the strength of relationships with our people, our suppliers and all our other stakeholders, who have all played their part in ensuring our continued success.

The Covid story started towards the end of the previous financial year, with lead-times initially extending for our Far East Suppliers, before the Government decision to close all 'non-essential' retail on 23 March 2020, amid strict lockdown measures being imposed.

These factors combined naturally impeded both deliveries and profitability in the run up to last year-end, as illustrated below through the comparison of actual 2020 results to 'pro forma' results, the latter stripping out the impact of Covid19 on the final couple of weeks of the financial year.

The aforementioned requirement for stores to shut towards the end of March (the first lockdown) lasted eight weeks, and whilst online and telephone orders increased substantially, this was not sufficient to offset the impact of store closures.

Once the stores were permitted to open however, pent up demand was significant, heightened by a natural focus on 'home' during the period of lockdown, with increased working from home also changing how people used their living space. Furthermore, due to ongoing restrictions on travel and other discretionary spend, many consumers were left with higher levels of disposable income, choosing to divert spend towards home improvements, including furniture purchases, with a buoyant housing market further aiding this. That said, whilst the sector as a whole clearly benefitted from these factors, we have outperformed competitor results and successfully grown market share.

This 'theme' continued thereafter and into the current financial year, with each subsequent lockdown followed by periods of buoyant trading, both in store and online. Indeed, online has continued on its strong growth trajectory, with order intake naturally heightened over the periods of lockdown, though its participation thereafter has remained higher than pre Covid19 levels. That said, whilst the transactional role it plays in today's omni-channel world is clearly important, and further amplified due to Covid, of greater significance is its role as a 'window to our stores', with the majority of our customers still preferring to touch and feel their furniture ahead of purchasing.

During the period of store closures, overheads were naturally tightly controlled and cut back, though promotional and marketing activity was stepped up once stores re-opened in order to successfully drive volumes and grow market share. We naturally also continued to invest in our people, with earnings maintained significantly ahead of Government furlough levels, vital in order to maintain the financial well being of our people and reward their flexibility and commitment to the business over this uncertain time.

Needless to say, we remain grateful for the Government support, with furlough receipts claimed over the first period of lockdown ensuring that we were able to retain personnel during the cessation of store and warehouse operations. It furthermore helped to support the extensive investment in PPE and other safety measures required to ensure the health, safety and wellbeing of both our people and our customers, this of course of the utmost importance.

Strategic Report (continued)

Financial Key Performance Indicators (KPI's):	***2021***	***Pro Forma 2020***	***2020***	***Change***
Revenue or Deliveries (net of VAT)	£255.1m	£267.2m	£255.0m	£0.1m
Gross Profit %	45.8%	46.9%	46.9%	(110) points
EBITDA*	£13.7m	£ 8.4m	£ 4.3m	£ 9.4m
Profit/(Loss) after taxation	£ 4.7m	£ 2.1m	£(1.3)m	£ 7.3m
Cash Balance	£37.6m	£26.3m	£23.8m	£13.8m

* Earnings before Interest, Tax, Depreciation and Amortisation

Deliveries for the full year actually matched the year prior, which considering the stores were shut for approaching half the year, including the key Winter Sale trading period, was a strong result. The reduction in Gross Profit % reflects the aforementioned increased promotional activity, pivotal in driving the significant uplift in order intake when stores were open and increasing market share.

Lower overheads, particularly during the periods of store closures, led to the year on year equivalent volumes being amortised over a reduced cost base, increasing EBITDA from £8.4m prior year pro forma (£4.3m 2020 actual) to £13.7m.

The business model remains highly cash generative and the closing cash position was £37.6m, £13.8m higher than the prior year balance of £23.8m, driven by a significant cash inflow from continuing operating activities.

Outlook

Since the stores reopened on 12 April 2021, our trading performance has been very strong and to the end of November 2021 order intake has been over 70% ahead of the equivalent period in 2019 pre Covid, by far recouping the shortfall in bookings over the third Lockdown. Lead-times have extended however due to well documented extensive pressures throughout the supply chain, including shipping delays, impacting the pace of conversion of the order book. In tandem, a sophisticated Cyber Incident in May led to only limited systems being available for several weeks, with this also impacting customer deliveries at that time.

We have also increased our internal warehouse and distribution capacity significantly over the past year, in tandem with utilising additional third parties, in order to meet customer demand and delivery expectations. Alongside this, steep increases in container shipping prices are impacting margins, although the strong order intake will ensure another strong year of profitability and cash generation.

We have also expanded our store portfolio over the last year, launching a new store in Leicester on Boxing Day, Crawley in April 2021 and most recently Sheffield in October. We have also extended the showroom space in our Gateshead Store, with this facilitating the closure of the nearby Darlington store. The current portfolio has now therefore increased to fifty-four stores (2020: fifty-two stores), affording good accessibility across much of the United Kingdom, alongside our strong online platform. Opportunities remain to open new stores, without risk of material cannibalisation, with the current market affording a relatively low cost of entry and quick payback.

In summary, we remain cautiously confident about the future, despite ongoing uncertainty regarding Covid19. We believe that 'home' will continue to be of greater importance to consumers in the future, and whilst we recognise that the economic headwinds are likely to be significant, so are the strides we are making to become an even fitter, leaner, stronger business.

Strategic Report (continued)

Principal Risks and Uncertainties

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. 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 are also continuing 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.

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

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. At the onset, a senior management taskforce was initiated, with responsibility for all aspects of managing the pandemic, including Health and Safety, Financial and Operational matters, along with engaging with key stakeholders including employees, customers, suppliers, landlords and shareholders. Our financial position remains strong but we continue to assess the ongoing risks of the pandemic in relation to our other principal risks.

Financial risk

The Group aims to maintain good working relationships with all financial counterparties and engages proactively to ensure they understand the Company financial performance. The Group regularly reviews 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.

Cyber Crime and General Data Protection Regulation (GDPR) risk

During the year, the company was subject to a sophisticated Cyber Incident and whilst the impact of this was significantly mitigated due to the security in place, additional measures have been taken in order to further protect the business going forward.

Since the introduction of GDPR we have rigorous 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, albeit the impact of Covid19 and huge increases in consumer demand have caused lead-times to extend.

Strategic Report (continued)

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 consultants 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 table 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 28 March 2021. The information provided below is for the Furniture Village Group of companies. The Directors consider the following to be the Company's key stakeholders:

- **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 in light of Covid19.

- **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 and frequent update meetings, with the Board also regularly visiting both stores and warehouses alike to gain further 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 ethos of 'Perform, Achieve, Reward' absolutely key.

- **Our Suppliers**

Our Suppliers are absolutely critical 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 furniture 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. Regular commercial reviews for all suppliers are held in order to ensure value for money alongside standards of service.

- **Shareholders**

The relationship with our external investor, The Business Growth Fund, is very supportive and we seek to protect their investment and generate long term value.

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

Strategic Report (continued)

- **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

C E Shiels - Director

Date 23/12/21

Directors' Report

The directors present their report and financial statements for the 52 weeks ended 28 March 2021.

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 £4,714k (52 weeks ended 29 March 2020 – loss of £1,257k). The net assets of the Company were £22,512k (52 weeks ended 29 March 2020 – £16,235k).

The directors recommend the payment of an intercompany dividend of £750k to Furniture Village Group Ltd (52 weeks ended 29 March 2020 £500k). The company also paid an intercompany non-equity preference share dividend of £222k to Furniture Village Group Ltd (52 weeks ended 29 March 2020 £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

In response to the Covid19 pandemic, management have proactively sought to counter those challenges as set out in the Outlook and Principal risks and Uncertainties sections of the Strategic Report. Whilst the Covid19 pandemic has necessitated the closure of stores for nearly half of the financial year, order intake over the periods of store openings have more than offset this, with this strong performance continuing into the next financial year.

The Group had net assets of £7,581k (2020: £1,841k), cash at year end was £37,636k (2020: £23,855k), and the Group has continued to generate positive EBITDA and cash since that time. The BGF loans have now been settled in full and 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 31 December 2022, which is at least 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.

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.

Where 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 Director's Report) Regulations 2013 and the Companies (Director's 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 30 March 2020 to 28 March 2021, reporting all material GHG emissions using "Tonnes of CO2 equivalent" (tCO2e) as the unit of measurement and reporting energy use in kWh."

	2020-21	2019-20
Energy consumption used to calculate emissions:	**20,035,577 kWh**	**24,453,093 kWh**
Emissions from combustion of gas (Scope 1)	168 tCO2e	201 tCO2e
Emissions from combustion of fuel for transport purposes (Scope 1)	2,251 tCO2e	2,638 tCO2e
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3)	34 tCO2e	196 tCO2e
Emissions from purchased electricity (Scope 2, location-based)	2,435 tCO2e	3,265 tCO2e
Total gross CO2e based on above	**4,888 tCO2e**	**6,299 tCO2e**
Intensity ratio: tCO2e g per £100,000 revenue	**19.16**	**24.70**

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 historically undertaken, the Business continues to monitor consumption as well as market developments for any potential additional opportunities. All new store and customer fulfilment premises particularly benefit from entirely LED lighting installations. Any other plant and equipment that has been and is to be installed is of modern, efficient standards.

In relation to the Business' commercial transport fleet, we have continued with our trend to replace the larger vehicles with the smaller, more economical 3.5 tonne variants adding an additional 2 vans to our fleet this year. We have trialled a fully electric 3.5 tonne vehicle at a customer fulfilment centre but need to continue to monitor the electric market closely as battery technology improves in order that it can meet our needs. The vehicle camera monitoring system installed across the fleet to optimise performance is functioning well and all new vehicles will incorporate an inbuilt monitoring system in 2022. We are also looking to re-introduce our in-house training system for all Home Delivery crews to ensure a consistent approach rather than use the general training offered via the CPC courses trained nationally.

Directors' Report (continued)

Directors

The directors who served during the year were as follows:

J C Hodkinson	(Non-executive Chairman)
P J Harrison	
C E Shiels	
C G Harrison	(appointed on 1 October 2020)
E Wynne	(appointed on 1 October 2020)

M Broughton has been appointed as director post year end and prior to signing of these accounts.

Non-executive Directors

S McPartland MP

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.

Elective resolution

The Company has passed Elective Resolutions to dispense with the laying of the financial statements before the Company in General Meeting 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 exchanged contracts on three new warehouses and a new store in Sheffield.

On 28 May 2021, Furniture Village identified suspicious activity within its IT systems and the incident was swiftly contained. An investigation subsequently followed, aided by experienced security specialists, and together they identified that an unauthorised third party had briefly gained access to certain systems. Those systems were subsequently taken down and for a limited period of time manual processes were deployed, causing some delay to customer orders, however an independent review of our systems confirmed that there was no breach of our customer database. Since that time, further security enhancements have been made in order to protect the business going forward.

By order of the Board

Claire E Shiels - Director

Date 23/12/21

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 28 March 2021

	Notes	52 weeks ended 28 March 2021 £000	52 weeks ended 29 March 2020 £000
Revenue	2	255,079	255,038
Cost of sales		(138,242)	(135,538)
Gross profit		116,837	119,500
Distribution costs		(73,244)	(70,939)
Administrative expenses		(42,840)	(51,156)
Other operating income	3	7,830	1,722
Operating profit/(loss) before cost of new/re-launched stores		8,583	(873)
New and re-launched stores		(279)	-
Operating profit/(loss)		8,304	(873)
Loss on disposal of intangible and tangible fixed assets	4	(1,749)	(28)
Profit/(loss) before interest and tax	5	6,555	(901)
Interest receivable and similar income	9	44	106
Interest payable and similar charges	10	(273)	(244)
Profit/(loss) on ordinary activities before taxation		6,326	(1,039)
Tax charge	11	(1,612)	(218)
Profit/(loss) for the financial period		4,714	(1,257)

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 28 March 2021

	Notes	52 weeks ended 28 March 2021 £000	52 weeks ended 29 March 2020 £000
Profit/(loss) for the financial period		4,714	(1,257)
Other Comprehensive Income			
Fair Value Revaluation		2,705	1,585
Movement on deferred tax arising on the revaluation reserve	11	(142)	(116)
Total comprehensive income		7,277	212

Statement of change in equity

for the 52 weeks ended 28 March 2021

	Share Capital £000	Share Premium £000	Revaluation Reserve £000	Profit and Loss Reserve £000	Total Share-holders' Funds £000
At 31 March 2019	650	274	2,010	13,839	16,773
Loss for the financial period	–	–	–	(1,257)	(1,257)
Other comprehensive Income	–	–	1,469	–	1,469
Total comprehensive income/(loss)	–	–	1,469	(1,257)	212
Ordinary dividends paid to parent undertaking	–	–	–	(750)	(750)
At 29 March 2020	650	274	3,479	11,832	16,235
Profit for the financial period	–	–	–	4,714	4,714
Other Comprehensive Income	–	–	2,563	–	2,563
Total comprehensive income	–	–	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

Statement of financial position
at 28 March 2021

	Notes	28 March 2021 £000	29 March 2020 £000
Fixed assets			
Intangible assets	13	2,792	3,530
Tangible assets	14	31,909	32,010
		34,701	35,540
Current assets			
Stocks	15	16,651	15,928
Debtors	16	48,503	46,815
Cash	21(b)	37,626	23,845
		102,780	86,588
Creditors: amounts falling due within one period	17	(108,860)	(100,003)
Net current liabilities		(6,080)	(13,415)
Total assets less current liabilities		28,621	22,125
Preference shares	18	(3,150)	(3,150)
Provisions for liabilities	19	(2,959)	(2,740)
Net assets		22,512	16,235
Capital and reserves			
Called up share capital	20	650	650
Share premium account		274	274
Asset Revaluation Reserve		6,042	3,479
Profit and loss reserve		15,546	11,832
Shareholders' funds		22,512	16,235

For the year ending 28 March 2021 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.

F J Harrison
Director
Date 23/12/21

C E Shiels
Director
Date 23/12/21

Statement of cash flows

for the 52 weeks ended 28 March 2021

	Notes	52 weeks ended 28 March 2021 £000	52 weeks ended 29 March 2020 £000
Net cash inflow from continuing operating activities	21(a)	19,133	12,826
Corporation Tax Paid		(507)	(22)
Net cash inflow from continuing operating activities		18,626	12,804
Investing activities			
Interest received		44	106
Payments to acquire tangible fixed assets		(3,259)	(1,027)
Payments to acquire intangible fixed assets		(357)	(680)
Net cash flow used from investing activities		(3,572)	(1,601)
Financing activities			
Intercompany preference dividend paid to parent company		(222)	(222)
Other interest paid		(51)	(22)
Equity dividends paid to parent company	12	(1,000)	(750)
Net cash flow used from financing activities		(1,273)	(994)
Change in cash resulting from cash flows		13,781	10,209
Cash at beginning of financial period	21(b)	23,845	13,636
Cash at end of financial period	21(b)	37,626	23,845

Notes to the financial statements

for the 52 weeks ended 28 March 2021

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 year ended 28 March 2021.

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 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 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.

Notes to the financial statements (continued)

for the 52 weeks ended 28 March 2021

1. Accounting policies (continued)

Going Concern

In response to the Covid19 pandemic, management have proactively sought to counter those challenges as set out in the Outlook and Principal risks and Uncertainties sections of the Strategic Report. Whilst the Covid19 pandemic has necessitated the closure of stores for nearly half of the financial year, order intake over the periods of store openings have more than offset this, with this strong performance continuing into the next financial year.

The Group had net assets of £7,581k (2020: £1,841k) and cash at year end was £37,636k (2020: £23,855k) and the Group has continued to generate positive EBITDA and cash since that time. The BGF loans have now been settled in full and 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 31 December 2022, which is at least 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 periods
Website design and infrastructure costs	–	over 7 periods
Website ongoing development costs	–	over 2 periods

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.

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 periods or over the lease term
Equipment	– over 4 periods

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.

Notes to the financial statements (continued)

for the 52 weeks ended 28 March 2021

1. Accounting policies (continued)

Tangible fixed assets (continued)

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.

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.

Notes to the financial statements (continued)

for the 52 weeks ended 28 March 2021

1. Accounting policies (continued)

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.

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 28 March 2021

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.

3. Other operating income

	52 weeks ended 28 March 2021	*52 weeks ended 29 March 2020*
	£000	*£000*
Concessions income	1,864	1,722
Government grants	5,966	–
	7,830	1,722

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.

Notes to the financial statements (continued)

for the 52 weeks ended 28 March 2021

4. Loss on disposal of fixed assets

	52 weeks ended 28 March 2021 £000	52 weeks ended 29 March 2020 £000
Loss on disposal of tangible and intangible assets	(1,749)	(28)

5. Profit/(loss) before interest and tax

This is stated after charging:

	52 weeks ended 28 March 2021 £000	52 weeks ended 29 March 2020 £000
Auditors' and associates' remuneration	153	157
Depreciation of owned assets	4,866	4,725
Amortisation of intangible assets	545	437
Operating lease rentals – Property	21,729	22,409
Operating lease rentals – Other	1,781	1,817

6. Auditor's remuneration

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

	52 weeks ended 28 March 2021 £000	52 weeks ended 29 March 2020 £000
Audit of the financial statements	126	119
Total audit	126	119
Taxation compliance services	23	38
Other assurance services	4	–
Total non-audit services	27	38
Total auditors' and associates' remuneration	153	157

Notes to the financial statements (continued)

for the 52 weeks ended 28 March 2021

7. Directors' remuneration

	52 weeks ended 28 March 2021 £000	52 weeks ended 29 March 2020 £000
Aggregate remuneration in respect of qualifying services	851	446
Company contributions paid to money purchase pension schemes	33	22
Number of directors in respect of qualifying services	6	4

	52 weeks ended 28 March 2021 No.	52 weeks ended 29 March 2020 No.
Members of money purchase pension scheme	5	3

The amounts in respect of the highest paid director were aggregate remuneration of £309k (52 weeks ended 29 March 2020 – £190k) and Company contributions paid to pension schemes of £10k (52 weeks ended 29 March 2020 – £10k). 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 28 March 2021 £000	52 weeks ended 29 March 2020 £000
Wages and salaries	40,623	35,083
Social security costs	4,288	3,777
Pension costs	1,732	1,610
	46,643	40,470

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

	52 weeks ended 28 March 2021 No.	52 weeks ended 29 March 2020 No.
Office and management	128	118
Retailing and distribution	991	913
	1,119	1,031

Notes to the financial statements (continued)

for the 52 weeks ended 28 March 2021

8. Staff costs (continued)

The above figures include the full cost of employees on furlough and similar schemes and 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 were shut and we were unable to deliver into customers homes.

The total benefit received by the Group from the Government Job Retention Scheme was £5.3m of the £6.0m grants noted in Note 3

9. Interest receivable and similar income

	52 weeks ended 28 March 2021 £000	52 weeks ended 29 March 2020 £000
Bank Interest	44	106

10. Interest payable and similar charges

	52 weeks ended 28 March 2021 £000	52 weeks ended 29 March 2020 £000
Dividends payable on non-equity preference shares to parent co.	222	222
Other interest	51	22
	273	244

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 28 March 2021 £000	52 weeks ended 29 March 2020 £000
Current tax:		
UK corporation tax	1,825	235
Adjustment in respect of previous periods	(46)	(31)
Total current tax	1,779	204

Notes to the financial statements (continued)

for the 52 weeks ended 28 March 2021

11. Tax (continued)

Deferred tax:

Origination and reversal of timing differences	– current period	(202)	(78)
	– prior period	35	(50)
	– change of tax rates	–	142
Total deferred tax (note 19)		(167)	14
Total tax per income statement		1,612	218

Other comprehensive income items

Deferred tax current year charge	142	60
Deferred tax prior year adjustment	–	56
	142	116

(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	6,326	(1,039)
Tax on profit/(loss) at standard UK tax rate of 19% (52 weeks ended 29 March 2020 – 19%)	1,202	(197)
Effects of:		
Expenses not deductible	559	500
Non-taxable income	(17)	(17)
Group relief/other reliefs	(121)	(128)
Adjustment form previous periods	(11)	(81)
Tax rate changes	–	141
Tax charge for the period	1,612	218
Income tax expense reported in the Income Statement	1,612	218

(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%.

In his budget of 8 July 2015, the Chancellor of the Exchequer announced a reduction in the corporation tax rate to 19% for the Financial Year beginning 1 April 2017 and a further reduction to 18% for the Financial Year beginning 1 April 2021. The Finance Act 2016, which reduced the main rate of corporation tax to 17% from 1 April 2021 (replacing the 18% rate) was enacted on 15 September 2016.

Subsequently, in his budget on 11 March 2021, the Chancellor of the Exchequer confirmed that the UK corporation tax rate would not reduce on 1 April 2021 and would remain at 19%. All deferred tax assets and liabilities have therefore been measured at the deferred tax rate of 19% as this rate is substantially enacted at the statement of position date.

Notes to the financial statements (continued)

for the 52 weeks ended 28 March 2021

12. Ordinary dividends on equity shares to parent company

	52 weeks ended 28 March 2021 £000	52 weeks ended 29 March 2020 £000
Dividends payable on ordinary shares to parent company	1,000	750

In the period £1,000k of equity dividends are payable to Furniture Village Group Limited for the ordinary shares (52 weeks ended 29 March 2020 – £750k). 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 29 March 2020	3,625	2,162	5,787
Additions	12	345	357
Disposals	(694)	-	(694)
At 28 March 2021	2,943	2,507	5,450
Amortisation:			
At 29 March 2020	1,283	974	2,257
Provided during the period	58	487	545
Disposals	(144)	-	(144)
At 28 March 2021	1,197	1,461	2,658
Carrying amount at 28 March 2021	1,746	1,046	2,792
Carrying amount at 29 March 2020	2,342	1,188	3,530

Notes to the financial statements (continued)

for the 52 weeks ended 28 March 2021

14. Tangible fixed assets

	Leasehold property	*Fixtures and fittings*	*Equipment*	*Total*
	£000	*£000*	*£000*	*£000*
Cost or valuation:				
At 29 March 2020	58,310	5,953	5,515	69,778
Additions	2,344	353	562	3,259
Disposals	(1,084)	(505)	(1,929)	(3,518)
Property Revaluation	2,705	–		2,705
At 28 March 2021	62,275	5,801	4,148	72,224
Depreciation:				
At 29 March 2020	31,297	3,222	3,249	37,768
Provided during the period	3,839	412	615	4,866
Disposals	(1,068)	(487)	(764)	(2,319)
At 28 March 2021	34,068	3,147	3,100	40,315
Carrying amount at 28 March 2021	28,207	2,654	1,048	31,909
Carrying amount at 29 March 2020	27,013	2,731	2,266	32,010

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

15. Stocks

	28 March 2021	*29 March 2020*
	£000	*£000*
Finished goods for resale	16,651	15,928

Finished goods for resale recognised as an expense in cost of sales for the period were £127,587k (52 weeks ended 29 March 2020 - £125,559k). The stock provision charge included in cost of sales for the 52 weeks ended 28 March 2021 was £847k (52 weeks ended 29 March 2020 – £357k).

16. Debtors

	28 March 2021	*29 March 2020*
	£000	*£000*
Trade debtors	2,580	1,407
Other debtors	625	902
Prepayments and accrued income	9,717	9,894
Corporation tax	–	23
Owed by ultimate parent company – Furniture Village Holdings Ltd	35,581	34,589
	48,503	46,815

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 28 March 2021 was £25k (52 weeks ended 29 March 2020 – £25k).

Notes to the financial statements (continued)

for the 52 weeks ended 28 March 2021

17. Creditors: amounts falling due within one period

	28 March 2021 £000	29 March 2020 £000
Deposits on goods not yet delivered	19,136	20,186
Trade creditors	42,349	40,230
Corporation tax	1,249	–
Other taxes and social security costs	9,001	6,293
Other creditors and accruals	18,887	16,278
Owed to parent company – Furniture Village Group Limited	18,238	17,016
	108,860	100,003

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

18. Preference shares

Allotted, called up and fully paid	28 March 2021 £000	29 March 2020 £000
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.

19. Provisions for liabilities

	Provision for dilapidations £000	Deferred tax £000	Total £000
At 29 March 2020	1,358	1,382	2,740
Increased provision during the current period	244	-	244
Deferred tax adjustment in respect of prior years	-	35	35
Deferred tax charged to the income statement	-	(202)	(202)
Deferred tax charged in other comprehensive income	-	142	142
At 28 March 2021	1,602	1,357	2,959

Notes to the financial statements (continued)

for the 52 weeks ended 28 March 2021

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:

	28 March 2021 £000	*29 March 2020 £000*
Deferred tax liability		
Fixed asset timing differences	951	946
Short term timing differences	(37)	(7)
Non-trading timing differences	443	443
Total deferred tax liability	1,357	1,382

	28 March 2021 £000	*29 March 2020 £000*
Deferred tax assets		
Recognition after 12 months	(37)	(7)
Total deferred tax asset	(37)	(7)

	28 March 2021 £000	*29 March 2020 £000*
Deferred tax liabilities		
Payable within 12 months	31	124
Payable after 12 months	1,363	1,265
Total deferred tax liability	1,394	1,389

20. Issued equity share capital

Allotted, called up and fully paid	*No.*	*28 March 2021 £000*	*No.*	*29 March 2020 £000*
'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 52 weeks ended 28 March 2021

21. Notes to the statement of cash flows

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

	52 weeks ended 28 March 2021 £000	52 weeks ended 29 March 2020 £000
Operating profit/(loss)	8,304	(873)
Depreciation	4,866	4,725
Amortisation	545	437
Increase in stocks	(723)	(21)
Increase in non-intercompany debtors	(719)	(1,136)
Increase in non-intercompany creditors	6,630	9,420
Increase in intercompany debtors	(992)	(698)
Increase in intercompany creditors	1,222	972
Net cash inflow from continuing operating activities	19,133	12,826

(b) Analysis of cash

	29 March 2020 £000	Cash flow £000	28 March 2021 £000
Cash	23,845	13,781	37,626
	23,845	13,781	37,626

(c) Restricted cash

The cash and cash equivalent balance disclosed above and in the statement of cash flows includes £19,850k (52 weeks ended 29 March 2020 £5,014k) 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:

	28 March 2021 £000	29 March 2020 £000
Authorised by the directors and contracted for	–	339
	–	339

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 28 March 2021 amounted to £nil (29 March 2020 – £nil).

Notes to the financial statements (continued)

for the 52 weeks ended 28 March 2021

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 28 March 2021 £000	Land and buildings 29 March 2020 £000	Other 28 March 2021 £000	Other 29 March 2020 £000
Operating leases which expire:				
Within one period	23,279	22,257	1,374	1,503
In two to five periods	89,081	80,861	2,283	1,171
In over five periods	73,336	73,280	–	–
	185,696	176,398	3,657	2,674

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 28 March 2021 £000	Other Operating Income 29 March 2020 £000
Operating leases which expire:		
Within one period	1,156	1,312
In two to five periods	1,265	934
In over five periods	–	–
	2,421	2,246

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 52 weeks ended 28 March 2021

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 three new warehouses and a new store in Sheffield.

On 28 May 2021, Furniture Village identified suspicious activity within its IT systems and the incident was swiftly contained. An investigation subsequently followed, aided by experienced security specialists, and together they identified that an unauthorised third party had briefly gained access to certain systems. Those systems were subsequently taken down and for a limited period of time manual processes were deployed, causing some delay to customer orders, however an independent review of our systems confirmed that there was no breach of our customer database. Since that time, further security enhancements have been made in order to protect the business going forward.