

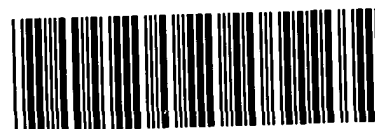
**Company Registration No. 3274758**

**Petit Bateau UK Limited**

**Annual report and financial statements**

**For the year ended 31 December 2021**

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## **Petit Bateau UK Limited**

### **Annual report and financial statements for the year ended 31 December 2021**

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## **Petit Bateau UK Limited**

### **Annual report and financial statements for the year ended 31 December 2021**

#### **Officers and professional advisers**

##### **Directors**

Petit Bateau S.A.S  
Jean-Christophe Selles

##### **Company secretary**

Jean-Christophe Selles

##### **Registered office**

106 – 108 King's Road  
London  
SW3 4TZ

##### **Bankers**

Lloyds Banking Group plc  
25 Gresham Street  
London  
EC2V 7HN

Allied Irish Bank plc  
Bankcentre  
Ballsbridge  
Dublin 4  
Republic of Ireland

##### **Solicitors**

Clyde & Co  
51 Eastcheap  
London  
EC3M 1JP

##### **Auditor**

Ernst & Young LLP  
Bedford House  
16 Bedford Street  
Belfast  
BT2 7DT

## Petit Bateau UK Limited

### Strategic Report

The directors present their Strategic Report for the year ended 31 December 2021.

#### Review of business

Petit Bateau UK Limited's sales increased by 2% to £6,871k (2020: £6,737k) and recorded a profit before tax of £225k (2020: £16k).

The retail business increased by 18,9% in like-for-like terms and by 6,6% in total, despite the store closing periods at the beginning of the year due to COVID-19. Petit Bateau UK Limited had started to recover during 2019 from the general drop in the UK retail industry experienced in 2018 (like for like growth was -0.9%). The 2020 and 2021 results are both the direct consequence of the exceptional situation and restrictions with the pandemic.

The wholesale business decreased by -27,7% in total, following the strategic decision to end the collaboration with the smallest clients and to focus on the Company's two main Pure Players clients (Children's Salon & Little Label). The e-commerce activity (an in-house website was launched in December 2011) grew by another 6% this year, continuing the growth trend following the major 67% increase during 2020. The online performance is in line with the Company strategy to focus on its Digital activity to adapt to the new consumption habits of the customers. Moreover, the pandemic and closing of physical points of sale for several months reinforced this trend.

At the balance sheet date, the company had net assets of £407k (2020: £210k) and cash at bank of £698k (2020: £1,434k).

#### Key performance indicators

Based on the review of business above, the directors believe the key performance indicators for the business to be as follows:

<b>Retail Business</b>	<b>2021</b>	<b>2020</b>
	<b>No</b>	<b>No</b>
Quantity of sold items	101,361	103,748
Transactions	42,060	42,510
Items per transaction	2.41	2.44
Average basket	£62.57	£58.05

<b>Wholesale Business</b>	<b>2021</b>	<b>2020</b>
	<b>No</b>	<b>No</b>
Clients	18	30
Quantities of sold items	36,193	63,118

<b>E-commerce Activity</b>	<b>2021</b>	<b>2020</b>
	<b>No</b>	<b>No</b>
Quantity of sold items	205,145	200,994
Transactions	51,647	48,016
Items per transaction	3.97	4.19
Average basket	£75.44	£76.75

## Petit Bateau UK Limited

### Strategic Report (continued)

#### Financial and Operational risk management

The most important components of financial risk are interest rate risk, currency risk, credit risk, liquidity risk, cash flow risk and price risk. Due to the nature of the Company's business and the assets and liabilities contained within the Company's balance sheet the only financial risks the directors consider relevant to this Company are currency risk, as well as cash flow risk and liquidity risk. These risks are mitigated by the fact that the Company's parent has committed to providing support to 31 August 2023 to fund any cash flow or liquidity short falls.

The principal external risks include general economic conditions and the consequent impact on consumer spending, competitor actions, wage inflation, as well as rising property costs and product costs. The Company seeks to mitigate its exposure to all forms of risk where practicable and to transfer risk to insurers where both applicable to the nature of the risk and cost effective. The Company continues to pursue a strategy to deliver the highest levels of customer service and product quality, as well as by diversifying the risk with internet sales. The Company aims to secure value for all its customers through the Company's range selections, while maintaining the Company's store appeal by investing in store refurbishment.

In 2021 such as in 2020 the Covid-19 pandemic and the resulting store closures in the UK had a significant impact on the Company's retail activity, presenting an operational risk. The Company has taken all necessary measures to mitigate the impact of this event on its results through focusing on a strong E-commerce service through the year which has been supported by maintaining the delivery service thanks to a strong supply chain and receiving help from the UK Government through the Job Retention Scheme and multiple grants. Practical measures have also been taken to reinforce the safety of employees and customers for stores reopening in 2021.

Petit Bateau UK Limited will continue to carefully monitor the global economic situation in 2022 as well as the exchange rate between the Pound Sterling and Euro as all goods are bought in Euros from the parent company, Petit Bateau S.A.S at an agreed rate. Consequently, the directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

Given the size of the company and the measures taken described above, no other financial risk management procedures are in place.

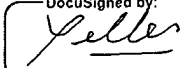
#### Future developments:

The Company does not plan to close any stores in 2022.

The Covid-19 pandemic and all safety measures (lockdown, closings of stores etc) have had an impact on the company's 2020 and 2021 activity. The pandemic will also likely impact 2022 performance as the Retail turnover may not return to its pre-crisis level. This event is expected to be offset by the strong E-commerce performance.

The Company will therefore continue to take all the necessary measures to protect its employees and to be able to continue in operation in the future.

In 2022, as in previous years, the Company plans to concentrate on existing profitable stores. The opening of new stores is not a priority this year unless an opportunity with one of the Company's current partners presents itself. Enhancing the current network by focusing on the profitable stores and increasing brand visibility to boost Digital traffic and performance will be the major activities in 2022.

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Jean-Christophe Selles  
Director  
09 May 2022

## Petit Bateau UK Limited

### Directors' Report

The directors present their annual report, together with the audited financial statements and auditor's report, for the year ended 31 December 2021.

#### Principal activity

The principal activity of the Company continues to be the retail and wholesale sales of babies', children's and adults' clothing.

#### Dividends

The directors do not propose a final dividend based on the 2021 result (2020: none).

#### Directors

The directors, who served throughout the year and up to the date of this report, are those listed on page 1.

#### Going Concern

Except for a loss before tax in the year 2011, the Company has been profitable before taxation since 2007, with positive net assets. Net current assets are positive at the current year end and the group has confirmed its intention in writing to support the company in meeting its liabilities to the extent money is not otherwise available for a period to 31 August 2023.

As discussed in Note 1, the forecasts to 31 August 2023 have been reviewed for the potential uncertainties, particularly around Covid-19 and its impact on revenue growth and the current uncertain economic outlook, and the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being no less than 12 months from the date of the signing of these financial statements.

Facing the Covid-19 pandemic the Company has taken all the necessary mitigating and security measures to protect its employees and to be able to continue in operation in the future and moreover to have a successful and safe reopening.

Because of stores closing the Company lost revenue on Retail from January to April with a total closing of the stores for almost four months but the Retail channel managed to perform better than the initial budget (+12%) thanks to a strong marketing and promotional plan. This loss of revenue on these branches is partly outweighed by the good performance of our e-commerce website: The Ecommerce channel gained +8% net turnover full year vs 2020 (2020: +67% vs 2019).

In 2020 and 2021 Petit Bateau UK Limited benefited from the Business rates holiday 2020-2021 for the Company's shop premises. It represents a saving of £429,726 for the period 2020-2021. The Company also benefited from the Business rates reduction for the period 2021/2022 with a savings of £135,287 for the period 2021-2022. The Company also received the Local Restrictions Support Grants in 2021 from the Tax Councils during the shops closings according to each store rateable value. Petit Bateau UK received a total amount of £83,927 in 2021 which allowed the Company to secure its cashflow.

To secure the Company's payroll and employees' wages during the lockdown the Company has claimed 80% of the wage's costs (up to individual monthly gross salary £2,500) from the Government's Job Retention Scheme.

Regarding the wages cost we benefited from the closing of the Wimbledon store in December 2020 to reduce cost as well the restructuring that impacted the headoffice staff. The Company intends to maintain the rest of its current employees in shops. Savings were also made by relocating the headoffice to the King's Road shop.

Furthermore, a formal letter of support has also been obtained from the parent company for a period to 31 August 2023. The directors have performed the relevant inquiries and have satisfied themselves that the parent company is in a position to provide this support. Accordingly, the Directors continue to adopt the going concern basis in preparing the annual report and financial statements.

#### Corporate Voluntary Arrangement

At the end of 2020 the Company started a Corporate Voluntary Arrangement (CVA) in order to close its former Headquarter and one store. The CVA was successfully completed in September 2021.

## Petit Bateau UK Limited

### Directors' Report (continued)

#### Future developments

Details of the Company's future developments have been disclosed within the Strategic Report on page 3, as included in this report by cross reference.

#### Events after the balance sheet date

The events in Ukraine at the start of 2022 and the results of the measures taken by the various authorities might have an impact on our financial results in 2022. To this date we are not aware of specific impact, but it is likely that some overall costs such as transportation, utility costs and raw materials will suffer from a price increase. We could therefore record relatively significant impacts in our financial statements during the year 2022.

#### Disclosure of relevant information to auditors

Each of the persons who are a director at the date of approval of this report confirms that:

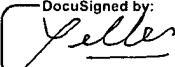
- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

#### Auditor

Ernst and Young LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board

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Jean-Christophe Selles  
Director  
09 May 2022

## **Petit Bateau UK Limited**

### **Directors' Responsibility Statement**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. 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 accounting estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, and subject to any material departures disclosed and explained in the financial statements.

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.



## **Petit Bateau UK Limited**

### **Independent auditor's report to the members of Petit Bateau UK Limited**

#### **Opinion**

We have audited the financial statements of Petit Bateau UK Limited for the year ended 31 December 2021 which comprise the Profit and Loss Account, the Statement of Comprehensive Income/(expense), the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 17, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period to 31 August 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

## **Petit Bateau UK Limited**

### **Independent auditor's report to the members of Petit Bateau UK Limited (continued)**

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

#### ***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

## **Petit Bateau UK Limited**

### **Independent auditor's report to the members of Petit Bateau UK Limited (continued)**

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", Bribery Act 2010 and Money Laundering regulations, those laws and regulations relating to health and safety and employee matters and relevant tax compliance regulations in the jurisdictions in which the Company operates).
- We understood how the Company is complying with those frameworks by making enquires of management and those responsible for legal and compliance procedures, including the Board of Directors. We corroborated our enquires through the review of the following documentation:
  - all minutes of board meetings held during the year;
  - the Company's code of conduct setting out the key principles and requirements for all staff in relation to compliance with laws and regulations; and
  - any relevant correspondence with local tax authorities.
- We assessed that revenue was a judgemental area of the audit which might be more susceptible to fraud. We obtained an understanding of the controls over the process for the recognition of revenue and tested in particular the existence of revenue recorded in the financial statements and any manual adjustments to the revenue.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the controls that the Company established to address risks identified by the Company or that otherwise seek to prevent, deter or detect fraud. We gained an understanding of the entity level controls and policies that the Company applies.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations identified above. Our procedures involved testing of journal entries, with a focus on journals indicating large or unusual transactions or meeting our defined risk criteria based on our understanding of the business and review of legal correspondence.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Ernst & Young LLP*

Neil Warnock (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Belfast  
10 May 2022

**Petit Bateau UK Limited****Profit and loss account  
For the year ended 31 December 2021**

	Note	2021 £'000	2020 £'000
<b>Turnover</b>	2	6,871	6,737
Cost of sales		(1,763)	(1,955)
<b>Gross profit</b>		<u>5,108</u>	<u>4,782</u>
Administrative expenses		(4,993)	(4,865)
Other income	2	206	250
Exceptional costs	1	(95)	(148)
<b>Operating profit and profit on ordinary activities before interest and taxation</b>	3	<u>226</u>	<u>19</u>
Interest payable and similar charges	5	(1)	(3)
<b>Profit on ordinary activities before taxation</b>		<u>225</u>	<u>16</u>
Tax on profit on ordinary activities	6	(28)	(47)
<b>Profit/(loss) for the financial year</b>		<u><u>197</u></u>	<u><u>(31)</u></u>

All results for both years were derived from continuing operations.

**Statement of Comprehensive Income/(expense)  
For the year ended 31 December 2021**

	2021 £'000	2020 £'000
Profit/(loss) for the financial year	197	(31)
Other comprehensive income	-	-
<b>Total Comprehensive income/(expense) for the year</b>	<u><u>197</u></u>	<u><u>(31)</u></u>

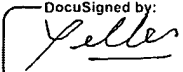
# Petit Bateau UK Limited

## Balance Sheet As at 31 December 2021

	Note	2021 £'000	2020 £'000
<b>Fixed assets</b>			
Tangible fixed assets	7	16	19
		<u>16</u>	<u>19</u>
<b>Current assets</b>			
Stocks	8	287	444
Debtors – due within one year	9	929	433
Debtors – due after more than one year	9	156	21
Cash at bank and in hand		698	1,434
		<u>2,070</u>	<u>2,332</u>
<b>Creditors</b>			
Amounts falling due within one year	10	(1,642)	(1,992)
Amounts falling due after more than one year	10	(5)	(1)
		<u>(1,647)</u>	<u>(1,993)</u>
<b>Net current assets</b>		<u>423</u>	<u>339</u>
<b>Total assets less current liabilities</b>		<u>439</u>	<u>358</u>
<b>Provisions for liabilities</b>	11	(32)	(148)
<b>Net assets</b>		<u>407</u>	<u>210</u>
<b>Capital and reserves</b>			
Called up share capital	13	40	40
Profit and loss account		367	170
<b>Shareholders' funds</b>		<u>407</u>	<u>210</u>

The financial statements of Petit Bateau UK Limited, registered number 3274758, were approved by the Board of Directors and authorised for issue on 09 May 2022.

Signed on behalf of the Board of Directors

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Jean-Christophe Selles  
Director

## Petit Bateau UK Limited

### Statement of Changes in Equity For the year ended 31 December 2021

	<b>Called up share capital £'000</b>	<b>Profit and loss account £'000</b>	<b>Total equity £'000</b>
At 1 January 2020	40	251	291
Loss for the year	-	(31)	(31)
<b>Total Comprehensive Income for the year</b>	<b>40</b>	<b>220</b>	<b>260</b>
Equity dividends paid	-	(50)	(50)
At 31 December 2020	40	170	210
Profit for the year	-	197	197
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>367</b>	<b>367</b>
Equity Dividends paid	-	-	-
<b>At 31 December 2021</b>	<b>40</b>	<b>367</b>	<b>407</b>

#### Called up share capital

Includes 40,000 ordinary shares of £1 each.

#### Profit and loss account

Includes all current and prior year profits and losses and dividend payments.

## **Petit Bateau UK Limited**

### **Notes to the financial statements** **Year ended 31 December 2021**

#### **1. Accounting policies**

##### **Statement of compliance**

Petit Bateau UK Limited is a private company limited by shares incorporated and domiciled in England and Wales at the following address: 106 – 108 King's Road, London, SW3 4TZ. The company's financial statements have been prepared in compliance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), and the Companies Act 2006, as it applies to the financial statements for the year ended 31 December 2021.

##### **Basis of preparation**

The financial statements were authorised for issue by the Board of Directors on 09 May 2022. The financial statements have been prepared in accordance with applicable accounting standards. The financial statements are prepared in sterling, which is the functional currency of the company, and rounded to the nearest £'000.

##### **Exemptions for qualifying entities under FRS 102**

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with. The company is a wholly owned subsidiary of Rocher Participations, the company's ultimate parent undertaking. The company is included in the consolidated financial statements of Rocher Participation, which are publicly available and consequently has taken the advantage of the following exemptions:

- from preparing a reconciliation of the number of shares outstanding at the beginning and the end of the year, as required by FRS 102 para 4.12(a)(iv);
- from preparing financial statement of cash flows, required under Section 7 of FRS 102 and para 3.17(d), on the basis that it is a qualifying entity and its ultimate parent company, Rocher Participations, includes the Company's cash flows in its own consolidated financial statements;
- from the financial instrument disclosures, required under FRS 102 paras 11.39 - 11.48A and 12.26 – 19.29, as the information is provided in the consolidated statement disclosure; and
- from disclosing the company's key management personnel compensation as required by FRS 102 para 33.7.

## Petit Bateau UK Limited

### Notes to the financial statements (continued) Year ended 31 December 2021

#### 1. Accounting policies (continued)

##### Going Concern

In light of the current economic conditions and especially the impact of Covid-19 on the Company's activity in 2021, the directors have reviewed the forecast performance of the business. After making enquiries and considering forecasts and uncertainties to 31 August 2023, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, being no less than 12 months from the date of the signing of these financial statements.

Facing the Covid-19 pandemic the Company will continue to take all the necessary mitigating and security measures to protect its employees and to be able to continue in operation in the future and moreover to have a successful and safe reopening.

In 2020 and 2021 Petit Bateau UK Limited benefited from the Business rates holiday 2020-2021 for the Company's shop premises. The Company also benefited from the Business rates reduction for the period 2021-2022. The Company also received the Local Restrictions Support Grants in 2021 from the Tax Councils during the shops closings according to each store rateable value. Petit Bateau UK received a total amount of £83,927 in 2021 which allowed the Company to secure its cashflow.

To secure the Company's payroll and employees' wages during the lockdown the Company has claimed 80% of the wage's costs (up to individual monthly gross salary £2,500) from the Government's Job Retention Scheme.

Regarding the wages cost we benefited from the closing of Wimbledon store in December 2020 to reduce cost as well the restructuring that impacted the headoffice staff. The Company intends to maintain the rest of its current employees in shops. Savings were also made by relocating the headoffice to the King's Road shop.

Further, the directors have obtained assurances by way of letter of support from the parent company that they are able and willing to support the Company for a period to 31 August 2023. The directors have performed the relevant inquiries and have satisfied themselves that the parent company is in a position to provide this support. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

##### Turnover

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 discounts, rebates, 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 through retail stores, e-commerce and wholesale customers is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Retail turnover, which is stated net of returns, is recognised on a cash basis.

##### Interest payable

Petit Bateau UK Limited takes a loan from CECOR (A Group Rocher company) and pay interest on this loan at an inter bank rate + 1.90%. The loan and therefore interest values were zero at 31/12/2021.



## Petit Bateau UK Limited

### Notes to the financial statements (continued) Year ended 31 December 2021

#### 1. Accounting policies (continued)

##### Exceptional costs

The amount of the provision concerning the onerous contract for Clapham store is £32,000.

Of the 2020 provision for the restructuring of £148,121, £145,928 was used in 2021. Additional costs of £64,925 concerning the restructuring were accounted for in 2021.

##### Intangible, tangible fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment. Depreciation is calculated to write down the cost of these assets to their estimated residual values on a straight-line basis over the period of their estimated useful economic lives:

Leasehold improvements, fixtures and fittings	- Over 7 years
Office equipment	- Over 3 years
Software	- Over 1 year

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

##### Lease premiums

The lease premiums are recorded within prepayments and accrued income and are amortised over the duration of the life of the lease.

##### Stocks

Trading stocks are stated at the lower of cost and net realisable value on an item-by-item basis, taking into account any provision for obsolescence. Cost is determined on a FIFO (first-in, first-out) basis.

##### Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity date of three months or less.

##### Called Up Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

##### Distribution to Equity Holders

Dividends and other distributions to Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the Company's shareholders. These amounts are recognised in the Statement of Changes in Equity.

##### 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.

## **Petit Bateau UK Limited**

### **Notes to the financial statements (continued)** **Year ended 31 December 2021**

#### **1. Accounting policies (continued)**

##### **Interest bearing loans and borrowings**

All interest-bearing loans and borrowings which are basic financial instruments are initially recognised at the present value of cash payable (including interest). After initial recognition they are measured at amortised cost using the effective interest rate method, less impairment. The effective interest rate amortisation is included in finance income in the income statement.

##### **Taxation**

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non discounted basis.

##### **Translation of foreign currency accounts**

Transactions denominated in foreign currency are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

##### **Leases**

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

Leases are considered to be onerous when the expected benefits of the leased property are less than the unavoidable costs of fulfilling the conditions of the lease. When a lease is identified as being onerous it is provided for as a Provision and recorded as the lower of the cost of fulfilling the lease contract and the penalty to exit the lease before the end of the lease term.

##### **Pension costs**

The amount charged to the profit and loss account in respect of pension costs, for defined contribution pension schemes, is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

##### **Judgements and key sources of estimation uncertainty**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. There were no judgements which have had a significant effect on amounts reported in the current or prior year. The following are the company's key sources of estimation uncertainty:

##### **Deferred taxation**

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

# Petit Bateau UK Limited

## Notes to the financial statements (continued) Year ended 31 December 2021

### 1. Accounting policies (continued)

#### Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

### 2. Revenue

All turnover arises from the principal continuing activity of the company in the UK and Ireland. All turnover relates to the sale of goods.

The Other Income is split as below:

- £121,716 (2020: £186,847) from the Job Retention Scheme – Furlough Aid from the State
- £83,927 (2020: £63,000) from the Covid-19 grants received from Councils during shops closing periods

### 3. Operating profit and profit on ordinary activities before interest and taxation

Operating profit has been arrived at after charging/ (crediting):

	2021 £'000	2020 £'000
Auditor's remuneration:		
- Fees payable to the Company's auditor for the audit of the Company's annual accounts	21	19
- Fees payable to the Company's auditor for tax compliance services	5	5
Foreign exchange losses or (gains)	(15)	(16)
Loss on the disposal of fixed assets	-	117
Depreciation and impairments – owned assets	16	(80)
Operating lease rentals - land and buildings	362	1,041
- plant and machinery	7	6
	<u>7</u>	<u>6</u>

## Petit Bateau UK Limited

### Notes to the financial statements (continued) Year ended 31 December 2021

#### 4. Staff costs (excluding directors)

	2021 £'000	2020 £'000
Wages and salaries	874	918
Social security costs	65	65
Pension contributions	12	21
	<u>951</u>	<u>1,004</u>

The director is an executive director of the parent company, Petit Bateau S.A.S, and is also a non-executive director of Petit Bateau UK Limited. According to the minutes of the general meeting of the company dated 09 May 2022 and the rules of the group, the non-executive director did not receive any compensation for his activity as director of Petit Bateau UK Limited. The director's remuneration was borne by the parent company for his executive position in the current and prior year.

Petit Bateau S.A.S. recharged Petit Bateau UK Limited an amount of £101,174 (2020: £45,215) for global finance, legal and risk management services to the company which include about £14,711 (2020: £12,409) for the director's remuneration.

The average number of persons employed by the company during the year, excluding directors, was as follows:

	2021 Number	2020 Number
Head office	3	8
Boutiques, concessions and outlets (UK and Ireland)	36	44
	<u>39</u>	<u>52</u>

#### 5. Interest payable and similar charges

	2021 £'000	2020 £'000
Interest due on intercompany loans	1	3
	<u>1</u>	<u>3</u>

## Petit Bateau UK Limited

### Notes to the financial statements (continued) Year ended 31 December 2021

#### 6. Tax on profit on ordinary activities

	2021 £'000	2020 £'000
Current tax	24	4
Deferred tax		
Origination and reversal of timing difference	3	62
Adjustment in respect of previous periods	-	(13)
Effect of changes in tax rates	1	(6)
	<u>28</u>	<u>47</u>

The factors affecting the current tax charge for the year can be explained below:

	2021 £'000	2020 £'000
Profit before tax	225	16
Tax on profit at UK tax rate of 19 % (2020: 19%)	<u>43</u>	<u>3</u>
Effects of:		
Expenses not deductible	(16)	59
Income not taxable	-	(9)
Losses	-	13
Adjustment from previous periods	-	(13)
Tax rate changes	1	(6)
Deferred tax not provided	-	-
	<u>28</u>	<u>47</u>
Total tax expense	<u>28</u>	<u>47</u>

#### Factors that may affect future tax charges

The Finance (No.2) Act 2015 reduced the main rate of UK corporation tax to 19%, effective from 1 April 2017. A further reduction in the UK corporation tax rate to 17% was expected to come into effect from 1 April 2020 (as enacted by Finance Act 2016 on 15 September 2016). However, legislation introduced in the Finance Act 2020 (enacted on 22 July 2020) repealed the reduction of the corporation tax, thereby maintaining the current rate of 19%.

Deferred taxes on the balance sheet have been measured at 25% (2019 and 2020– 19%) which represents the future corporation tax rate that was enacted at the balance sheet date.

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. These changes were taken into account for the 2021 financial statement and have therefore been reflected in the measurement of deferred tax balances at the period end.

# Petit Bateau UK Limited

## Notes to the financial statements (continued) Year ended 31 December 2021

7. Intangible and tangible fixed assets	Leasehold improvements £'000	Fixtures and fittings £'000	Office equipment £'000	Software £'000	Total £'000
<b>Cost</b>					
At 1 January 2021	471	225	28	24	748
Additions	13	-	-	-	13
Disposals	-	-	(1)	-	(1)
At 31 December 2021	484	225	27	24	760
<b>Accumulated depreciation</b>					
At 1 January 2021	(460)	(222)	(23)	(24)	(729)
Charge for the year	(12)	(2)	(2)	-	(16)
Disposals	-	-	1	-	1
At 31 December 2021	(472)	(224)	(24)	(24)	(744)
<b>Net book amounts</b>					
At 31 December 2020	11	3	5	-	19
At 31 December 2021	12	2	2	-	16

### 8. Stocks

Stocks consist of goods held for resale. Their replacement cost does not differ significantly from the carrying value.

### 9. Debtors

	2021 £'000	2020 £'000
<u>Debtors due within one year:</u>		
Trade debtors	143	121
Corporation tax	1	8
Amounts due from group undertakings	546	10
Other debtors	71	114
Prepayments and accrued income	168	180
	<u>929</u>	<u>433</u>

## Petit Bateau UK Limited

### Notes to the financial statements (continued) Year ended 31 December 2021

#### 9. Debtors (continued)

	2021 £'000	2020 £'000
<u>Debtors due after one year</u>		
Prepayments and accrued income	156	21
	<u>156</u>	<u>21</u>

Amounts due from group undertakings are with an interest rate of 0.05%. This loan is secured and repayable 15 days after the closing date.

Within prepayments and accrued income £156,250 (2020: £21,250) are amounts due after more than one year for non-refundable payments for store rental that are amortised over the lease period and for deposits that will be repaid to the company on termination of the related leases.

#### 10. Creditors

##### Amounts falling due within one year

	2021 £'000	2020 £'000
Trade creditors	195	702
Amounts due to group undertakings	1,058	948
Amounts due to group undertakings (loan)	52	45
Other taxes and social security costs	3	2
Other creditors	15	14
Accruals and deferred income	319	281
	<u>1,642</u>	<u>1,992</u>

Included in amounts due to intercompany undertakings is an intercompany loan of £51,752 (2020: £45,067) on which interest is charged at 0.60 % (2020: 1.18 %).

Amounts due to group undertakings are secured with fix budgeted exchange rates, payable within three months with an annual fixed commission fee.

# Petit Bateau UK Limited

## Notes to the financial statements (continued) Year ended 31 December 2021

### 10. Creditors (continued)

#### Amounts falling due after one year

	2021 £'000	2020 £'000
Deferred taxation (see note 12)	5	1
	<u>5</u>	<u>1</u>

### 11. Provisions

#### Provisions for liabilities (exceptional):

	2021 £'000	2020 £'000
Balance at 1 January	148	252
Onerous contract provision	32	-
Utilisation of onerous contract provision	-	(252)
Utilisation of restructuring provision	(146)	-
Reversal of restructuring provision	(2)	-
Restructuring provision	-	148
	<u>32</u>	<u>148</u>
Balance at 31 December	<u>32</u>	<u>148</u>

The Company has recognised a provision for the Onerous lease of Clapham store. This provision is expected to be utilised during the year ended 31 December 2022.



# Petit Bateau UK Limited

## Notes to the financial statements (continued) Year ended 31 December 2021

### 12. Deferred taxation

	2021 £'000	2020 £'000
Balance at 1 January	1	(42)
Adjustment in respect of prior years	-	(13)
Deferred tax charge to income statement for the period	4	55
	<u>5</u>	<u>1</u>
Balance at 31 December	<u>5</u>	<u>1</u>
Analysis of deferred tax balance		
Fixed asset timing differences	<u>5</u>	<u>1</u>
Balance at 31 December	<u>5</u>	<u>1</u>

### 13. Called Up Share capital

	2021 £'000	2020 £'000
<b>Authorised, allotted, called up and fully paid:</b>		
40,000 (2020: 40,000) ordinary shares of £1 each	<u>40</u>	<u>40</u>

### 14. Dividends

	2021 £'000	2020 £'000
No dividend paid in 2021 (2020: none).	<u>-</u>	<u>-</u>

## Petit Bateau UK Limited

### Notes to the financial statements (continued) Year ended 31 December 2021

#### 15. Financial commitments

Future annual minimum rentals under non-cancellable operating leases were as follows:

	2021 £'000	2020 £'000
Amounts payable:		
Within one year	667	469
Between two and five years	1,191	1,807
Over five years	73	206
	<u>1,931</u>	<u>2,482</u>

#### 16. Parent company and related party transactions

The Company is a wholly owned subsidiary of Petit Bateau S.A.S, which is incorporated in France. The smallest group in which Petit Bateau UK Limited is consolidated is Petit Bateau S.A.S, which is incorporated in France. Copies of the consolidated financial statements of Petit Bateau S.A.S are available from 15 rue du Lieutenant Pierre Murard, BP 515, 10081 Troyes Cedex, France.

The Company's ultimate parent undertaking and controlling party and the largest group in which the results of the Company are consolidated is that headed by Rocher Participation, a company incorporated in France. Copies of the consolidated financial statements of Rocher Participation are available from Yves Rocher, La Croix Des Archers, 56201 La Gacilly, France.

As a wholly owned subsidiary of Rocher Participation, the Company has taken advantage of the exemption in FRS102 not to disclose transactions with other wholly owned members of the group headed by Rocher Participation.

#### 17. Events after the balance sheet date

The events in Ukraine at the start of 2022 and the results of the measures taken by the various authorities might have an impact on our financial results in 2022. To this date we are not aware of specific impact, but it is likely that some overall costs such as transportation, utility costs and raw materials will suffer from a price increase. We could therefore record relatively significant impacts in our financial statements during the year 2022.