

Unaudited Financial Statements
for the Year Ended 28 February 2021
for
THE CARAT SHOP LIMITED

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THE CARAT SHOP LIMITED

Company Information
for the year ended 28 February 2021

Directors: Mrs A L May
Mrs C E Reilly

Secretary: Mrs A L May

Registered office: Grasslands
Pye Corner
Gilston
Essex
CM20 2RB

Registered number: 05719733 (England and Wales)

Accountants: Haines Watts
Chartered Accountants
Aissela
46 High Street
Esher
Surrey
KT10 9QY

Balance Sheet
28 February 2021

| | Notes | £ | 2021 £ | £ | 2020 £ |
|--|-------|----------------|------------------|----------------|------------------|
| Fixed assets | | | | | |
| Tangible assets | 4 | | 56,289 | | 30,605 |
| Current assets | | | | | |
| Stocks | | 273,006 | | 612,691 | |
| Debtors | 5 | 1,782,081 | | 1,164,167 | |
| Cash at bank | | <u>297,715</u> | | <u>302,935</u> | |
| | | 2,352,802 | | 2,079,793 | |
| Creditors | | | | | |
| Amounts falling due within one year | 6 | <u>716,276</u> | | <u>706,014</u> | |
| Net current assets | | | <u>1,636,526</u> | | <u>1,373,779</u> |
| Total assets less current liabilities | | | <u>1,692,815</u> | | <u>1,404,384</u> |
| Creditors | | | | | |
| Amounts falling due after more than one year | 7 | | (123,724) | | - |
| Provisions for liabilities | | | <u>(7,461)</u> | | <u>(3,554)</u> |
| Net assets | | | <u>1,561,630</u> | | <u>1,400,830</u> |
| Capital and reserves | | | | | |
| Called up share capital | 10 | | 2 | | 2 |
| Retained earnings | | | <u>1,561,628</u> | | <u>1,400,828</u> |
| Shareholders' funds | | | <u>1,561,630</u> | | <u>1,400,830</u> |

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 28 February 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 28 February 2021 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Profit and Loss Account has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 30 September 2021 and were signed on its behalf by:

Mrs A L May - Director

1. **Statutory information**

The Carat Shop Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. **Accounting policies**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The directors have considered the consequences of Covid-19 and other trading events and conditions it can predict now and, in the future, and it has determined that they do not create a material uncertainty that casts significant doubt upon the Company's ability to continue as a going concern. For that reason, the directors have a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future and so it considers it appropriate for the 2021 financial accounts to be prepared on a going concern basis.

Key source of estimation, uncertainty and judgement

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgement that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

There is estimation uncertainty in calculating depreciation. A full line by line review of fixed assets is carried out by management regularly. Whilst every attempt is made to ensure that the depreciation policy is as accurate as possible, there remains a risk that the policy does not match the useful life of the assets.

There is estimation uncertainty in calculating deferred tax. A full line by line review of deferred tax is carried out by management regularly. Whilst every attempt is made to ensure that the deferred tax is accurate as possible, there remains a risk that the provisions do not match the actual tax liability when asset is disposed of.

There is estimation uncertainty in calculating bad debt provisions. A full line by line review of trade debtors is carried out at the end of each month. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectable.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Sales of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

- | | |
|---------------------|---------------------------|
| Plant and machinery | - 25% on reducing balance |
| Computer equipment | - 33% on cost |

2. **Accounting policies - continued**

Government grants

Government grants received during the period are accounted for using the accrual method.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank and bank overdrafts.

Financial liabilities and equity instruments issued by the company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. **Employees and directors**

The average number of employees during the year was 14 (2020 - 10) .

Notes to the Financial Statements - continued
for the year ended 28 February 20214. **Tangible fixed assets**

| | Plant and machinery £ | Fixtures and fittings £ | Computer equipment £ | Totals £ |
|-----------------------|-----------------------------|----------------------------------|----------------------------|---------------|
| Cost | | | | |
| At 1 March 2020 | 13,752 | 6,691 | 29,916 | 50,359 |
| Additions | 25,030 | 14,192 | 1,783 | 41,005 |
| At 28 February 2021 | <u>38,782</u> | <u>20,883</u> | <u>31,699</u> | <u>91,364</u> |
| Depreciation | | | | |
| At 1 March 2020 | 7,404 | 740 | 11,610 | 19,754 |
| Charge for year | 2,558 | 5,676 | 7,087 | 15,321 |
| At 28 February 2021 | <u>9,962</u> | <u>6,416</u> | <u>18,697</u> | <u>35,075</u> |
| Net book value | | | | |
| At 28 February 2021 | <u>28,820</u> | <u>14,467</u> | <u>13,002</u> | <u>56,289</u> |
| At 29 February 2020 | <u>6,348</u> | <u>5,951</u> | <u>18,306</u> | <u>30,605</u> |

5. **Debtors: amounts falling due within one year**

| | 2021 £ | 2020 £ |
|--------------------------------|------------------|------------------|
| Trade debtors | 407,125 | 175,772 |
| Other debtors | 807,372 | 553,087 |
| VAT | 248,815 | 36,666 |
| Prepayments and accrued income | 318,769 | 398,642 |
| | <u>1,782,081</u> | <u>1,164,167</u> |

6. **Creditors: amounts falling due within one year**

| | 2021 £ | 2020 £ |
|--------------------------------------|----------------|----------------|
| Bank loans and overdrafts | 125,000 | - |
| Hire purchase contracts (see note 8) | 7,880 | - |
| Trade creditors | 321,372 | 472,654 |
| Tax | 135,631 | 145,962 |
| Social security and other taxes | (1,058) | 3,073 |
| Other creditors | 1,081 | 918 |
| Accruals and deferred income | 126,370 | 83,407 |
| | <u>716,276</u> | <u>706,014</u> |

7. **Creditors: amounts falling due after more than one year**

| | 2021 £ | 2020 £ |
|--------------------------------------|----------------|-----------|
| Bank loans - 1-2 years | 114,583 | - |
| Hire purchase contracts (see note 8) | 9,141 | - |
| | <u>123,724</u> | <u>-</u> |

8. Leasing agreements

Minimum lease payments fall due as follows:

| | Hire purchase contracts | |
|----------------------------|---|----------------|
| | 2021 | 2020 |
| | £ | £ |
| Net obligations repayable: | | |
| Within one year | 7,880 | - |
| Between one and five years | 9,141 | - |
| | <u>17,021</u> | <u>-</u> |
| | Non-cancellable operating leases | |
| | 2021 | 2020 |
| | £ | £ |
| Within one year | 90,000 | 90,000 |
| Between one and five years | 15,000 | 90,000 |
| | <u>105,000</u> | <u>180,000</u> |

9. Secured debts

There is a fixed and floating charge over all assets of the company.

10. Called up share capital**Allotted, issued and fully paid:**

| Number: | Class: | Nominal value: | 2021 | 2020 |
|----------------|---------------|-----------------------|-------------|-------------|
| | | | £ | £ |
| 2 | Ordinary | £1 | <u>2</u> | <u>2</u> |

11. Transactions with directors

At the year end, the company owed the directors £2,466 (2020: £3,218). The loans are interest free and repayable on demand.

12. Related party disclosures

At 28 February 2020, Willow Place Property Limited, a company that is controlled by the same shareholders, owed the company £723,502 (2020: £526,068). The loan is interest free and repayable on demand.

13. Ultimate controlling party

The company's parent company is Willow Place Holdings Ltd. It's registered office is the same as the company's registered office.

Chartered Accountants' Report to the Board of Directors
on the Unaudited Financial Statements of
The Carat Shop Limited

The following reproduces the text of the report prepared for the directors in respect of the company's annual unaudited financial statements. In accordance with the Companies Act 2006, the company is only required to file a Balance Sheet. Readers are cautioned that the Income Statement and certain other primary statements and the Report of the Directors are not required to be filed with the Registrar of Companies.

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of The Carat Shop Limited for the year ended 28 February 2021 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed within the ICAEW's regulations and guidance at <http://www.icaew.com/en/membership/regulations-standards-and-guidance>.

This report is made solely to the Board of Directors of The Carat Shop Limited, as a body, in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of The Carat Shop Limited and state those matters that we have agreed to state to the Board of Directors of The Carat Shop Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Carat Shop Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that The Carat Shop Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of The Carat Shop Limited. You consider that The Carat Shop Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of The Carat Shop Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Haines Watts
Chartered Accountants
Aissela
46 High Street
Esher
Surrey
KT10 9QY

30 September 2021

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.