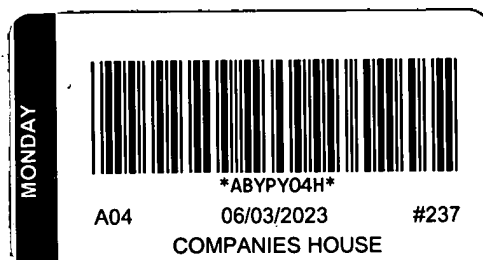


**Company Registration No. 06208854**

**funkypigeon.com Limited**

**Annual Report and Financial Statements**

**31 August 2022**



# **funkypigeon.com Limited**

## **Annual report and financial statements 31 August 2022**

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# **funkypigeon.com Limited**

## **Annual report and financial statements 31 August 2022**

### **Officers and professional advisers**

#### **Directors**

R J Moorhead  
I Houghton

#### **Company Secretary**

I Houghton

#### **Registered Office**

Greenbridge Road  
Swindon  
Wiltshire  
SN3 3RX

#### **Independent Auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
1 Embankment Place,  
London  
WC2N 6RH  
United Kingdom

# **funkypigeon.com Limited**

## **Directors' report (continued)**

The directors present their annual report and the audited financial statements for the year ended 31 August 2022.

### **Directors**

The names of the present directors of the Company and who served throughout the year and up to the date of signing are shown on page 1.

### **Directors' indemnities**

The Company has qualifying third party indemnity provisions for the benefit of its directors which remained in force throughout the year and at the date of this report.

### **Results and dividends**

The audited financial statements for the year ended 31 August 2022 are set out on pages 11 to 26.

As shown in the Statement of profit or loss and other comprehensive income on page 11, the Company's profit for the financial year ended 31 August 2022 was £2,866,847 (2021: £10,860,099).

The Company paid no dividends in the year (2021: none). The directors do not recommend the payment of a final dividend (2021: £nil).

### **Future developments**

Details on future developments of the Company are given in the Strategic report on pages 4 to 6.

### **Going concern and financial risk management**

Disclosures in respect of financial risk management are given in the Strategic report on pages 5 and 6. Disclosures in respect of going concern are given in the Strategic report on page 6 and Note 1 to the financial statements.

### **Section 172 statement**

The directors are aware of their statutory duty to promote the success of the Company for the benefit of the members as a whole, and in doing so having regard to those factors set out in section 172(1) (a)-(f) of the Companies Act 2006.

As a result of the Group's governance structure, the matters that the directors are responsible for considering under section 172(1) of the Companies Act 2006 have been considered to an appropriate extent by the WH Smith PLC Group board in relation to both the WH Smith PLC Group and its subsidiaries (the 'Group') and also to the Company. The directors have also considered relevant matters where appropriate.

To the extent necessary for an understanding of the development, performance and position of the Company, an explanation of how the Group board has considered the matters set out in s172 (for the Group and for the Company) is set out on pages 30 to 36 of the Group's Annual Report and Accounts, which does not form part of this report.

### **Statement on business relationships**

The directors acknowledge the need for the Company to foster business relationships with suppliers, customers and other stakeholders. All policies, practices and procedures adopted by the Group with regard to stakeholder relationships and engagement are applied by the Company. Refer to pages 30 to 36 of the Group's Annual Report and Accounts 2022, which does not form part of this report, for more details. The Company identifies its key business relationships as being the same as the Group as described on pages 30 to 36 of the Group's Annual Report and Accounts 2022, other than having a more limited number of relationships than the Group.

# **funkypigeon.com Limited**

## **Directors' report (continued)**

### **Statement of directors' responsibilities in respect of the financial statements**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.

### **Directors' confirmations**

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The auditors, PricewaterhouseCoopers LLP, will continue in office as auditors to the Company.

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

This report was approved by the Board of Directors on 10 February 2023.

On behalf of the Board



Robert J Moorhead  
Director

# **funkypigeon.com Limited**

## **Strategic report**

The Strategic report is prepared in accordance with s414(c) of the Companies Act 2006.

### **Business review, principal activities and key performance indicators.**

The principal activities of the Company during the current and prior years were the online retailing of greetings cards, calendars and other gifting.

The funkypigeon.com Limited business delivered a satisfactory performance in the year.

As shown in the Company's Statement of profit or loss and other comprehensive income on page 10, the Company's revenue for the financial year to 31 August 2022 has decreased by 36 per cent to £34,753,366 (2021: £54,096,154) compared to the prior year, and profit for the financial year to 31 August 2022 was £2,866,847 (2021: £10,860,099).

This performance reflects the impact of a cyber security incident in April 2022. This incident affected part of the Company's systems, and orders were temporarily suspended during that time. No customer payment data, such as bank account or credit card details, had been placed at risk. The Company incurred costs relating to the cyber incident of £2,305,945 including third party consultancy support and legal and other costs and a non-cash impairment charge of software assets of £1,249,055. Profit in the year is therefore impacted by £3,555,000 in the current year.

Funkypigeon.com is recovering well and we are confident of the substantial opportunities to grow the platform further, and significantly grow revenue and profits over the medium-term. The Company is expected to trade profitably in the foreseeable future. The market for greeting cards in the UK is substantial and estimated at £1.6bn with online penetration continuing to grow. The UK greeting card market has been stable with adults sending on average 20 greeting cards per person each year.

We have redeveloped the funkypigeon.com app to improve customer conversion and we have also launched a next day delivery service which operates seven days a week to further enhance our customer proposition. This has received very positive customer feedback

The balance sheet on page 12 of the financial statements shows that the Company's net asset position is £29,993,094 (2021: £27,126,247) an increase of £2,866,847 reflecting the profit for the year. Details of the amounts owed by and to other group undertakings are shown in Notes 14 and 15 on page 25.

The Company's directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the Group, of which this Company is a part, is discussed in the WH Smith PLC Annual Report and Accounts 2022, which does not form part of this Report.

### **Principal risks and uncertainties**

The WH Smith PLC group manages its operations, including funkypigeon.com Limited on a divisional basis and has identified the following factors as the principal risks to the successful performance of the business of funkypigeon.com Limited.

- Economic, political, competitive and market risks
- Brand and reputation
- Key suppliers and supply chain management
- Business interruption
- Reliance on key personnel
- Cyber risk and data security
- Treasury, financial and credit risk management
- Environment and sustainability

Further risks and uncertainties facing the Group as a whole, to which funkypigeon.com Limited is indirectly exposed as a subsidiary company of the WH Smith PLC Group and through its status as a guarantor of the Group's borrowing facilities as described in Note 17, are as follows:

- Store portfolio
- International expansion

# **funkypigeon.com Limited**

## **Strategic report (continued)**

### **Principal risks and uncertainties (continued)**

The Covid-19 pandemic has affected all aspects of the business and the markets in which we operate. We believe that the overall level of risk has decreased since last year due to the roll-out of the Covid-19 vaccine and the easing of restrictions in many of the countries in which we operate. Whilst we believe that we are now well prepared for the introduction of new restrictions, there remains a risk that the Group could be negatively impacted by the emergence of new variants of Covid-19 or other pandemics. As a result of this reduction in risk, we have removed Covid-19 as a specific principal risk and have chosen to reflect the potential impact of it to the Group within our other principal risk headings to the extent that these may generate further risk of business interruption, disruption to our supply chain, and wider economic and market uncertainty.

While we have been saddened by the ongoing conflict in Ukraine, WHSmith has no direct operations in Ukraine, Russia or Belarus, nor do we have any product suppliers located in these countries. Like many businesses we anticipate that the continuation and potential escalation of this conflict will impact us through increasing inflationary pressures from rising fuel and energy prices and disruption to our supply chain caused by transport disruption. These risks will continue to be monitored through our ongoing risk management framework and principal risk reporting.

Group risks including risk management are discussed in further detail within the Principal risks and uncertainties section of the Strategic report in the Group's Annual Report and Accounts 2022 which does not form part of this report, a copy of which is available on the Group's website at [www.whsmithplc.co.uk](http://www.whsmithplc.co.uk).

All principal business functions compile risk registers to identify key risks, assess them in terms of their likelihood and potential impact, and determine appropriate control strategies to mitigate the impact of these risks, taking account of risk appetite. The ongoing monitoring of this framework is overseen by the respective Business Risk Committees and the Group Audit Committee.

During the year, the Board reviewed the effectiveness of the Group's risk management and internal controls systems. This review included the discussion and review of the risk registers and the internal controls across all business functions, as part of an annual exercise facilitated by the Internal Audit team. During the year, the Board also received presentations from management on specific risk areas such as cyber risk, international expansion, and the ongoing risk monitoring processes and appropriate mitigating controls.

### **Financial Risk Management**

The Company's operations expose it to a variety of financial risks that include the effects of foreign exchange rate risk and interest rate risk. The Company is subject to the WH Smith PLC Group policies to ensure proper monitoring and control of financial risk. The policies are set by the Group and are implemented by the Company's finance department.

The Group's treasury function seeks to reduce exposures to interest rate, foreign exchange and other financial risks, and to ensure liquidity is available to meet the foreseeable needs of the Group and to invest cash assets safely and profitably. The Group does not engage in speculative trading in financial instruments and transacts only in relation to underlying business requirements. The Group's treasury policies and procedures are periodically reviewed and approved by the Group's Audit Committee and are subject to regular Group Internal Audit review. Further information on the Group's financial risk management policies and procedures are given in the WH Smith PLC Annual Report and Accounts 2022, which does not form part of this report.

#### ***Liquidity risk***

The Group manages its exposure to liquidity risk by reviewing the cash resources required to meet its business objectives through both short and long-term cash flow forecasts. The Group has a committed multi-currency revolving credit facility with a number of financial institutions which is available to be drawn for general corporate purposes including working capital. The facility is due to mature on 28 April 2025.

The Group has a policy of pooling cash flows in order to optimise the return on surplus cash and also to utilise cash within the Group to reduce the costs of external short-term funding.

#### ***Credit risk***

Credit risk is the risk that a counterparty may default on their obligation to the Company in relation to lending, hedging, settlement and other financial activities. The Company's principal financial assets are trade and other receivables and bank balances and cash which are considered to have low credit risk on initial recognition.

The Company has credit risk attributable to its trade and other receivables. The amounts included in the balance sheet are net of allowances for expected credit losses. An allowance

# **funkypigeon.com Limited**

## **Strategic report (continued)**

### **Financial Risk Management (continued)**

#### ***Credit risk (continued)***

for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of cash flows. The Company has low retail credit risk due to the transactions being principally of a high volume, low value and short maturity. The Company has no significant concentration of credit risk, with the exposure spread over a large number of counterparties and customers.

The credit risk on liquid funds and derivative financial instruments is considered to be low, as the Board approved Group treasury policy limits the value that can be placed with each approved counterparty to minimise the risk of loss. These limits are based on a combination of short-term credit ratings of P-1.

The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk. The Company does not hold collateral over any of these financial assets.

#### **Going concern**

The directors are required to assess whether the Company can continue to operate for the 12 months from the date of approval of these financial statements, and to prepare the financial statements on a going concern basis.

The directors report that they have undertaken a rigorous assessment of current performance and forecasts, including expenditure commitments, capital expenditure and borrowing facilities. The Company has made a profit in the year, and has net current assets and net assets. In making the Company's going concern assessment the directors have modelled a base case scenario consistent with the Company's board approved 2023 Budget. The directors have also considered a severe but plausible downside scenario which overlays the impact on cash flows of a cyber incident of a similar magnitude to that experienced in 2022. Under both the base case and severe but plausible scenarios, the Company would have sufficient financial resources to continue in operation throughout the forecast period.

The Strategic report describes the Company's financial position, cash flows and borrowing facilities and also highlights the principal risks and uncertainties facing the Company. The Strategic report of the WH Smith PLC Annual Report and Accounts 2022, which does not form part of this report, also sets out the Group's business activities together with the factors that are likely to affect its future developments, performance and position. The WH Smith PLC Annual Report and Accounts 2022 also outlines the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures. A copy of the WH Smith PLC Annual Report is available on the Group's website at [www.whsmithplc.co.uk](http://www.whsmithplc.co.uk).

As a result of the above analysis, the directors believe that the Company has sufficient financial resources to continue in operation and meet its obligations as they fall due for the 12 months from the date of approval of these financial statements, and therefore it is appropriate to adopt the going concern basis of accounting in preparing these financial statements. No changes in the Company's principal activities are foreseen.

This report was approved by the Board on 10 February 2023.

On behalf of the Board



Robert J Moorhead

Director



# Independent auditors' report to the members of funkypigeon.com Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, funkypigeon.com Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance sheet as at 31 August 2022; the Statement of profit or loss and other comprehensive income, and Statement of change in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

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 of at least twelve months from when the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### **Strategic report and Directors' report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 August 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

### **Auditors' 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below,

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to health and safety regulation, GDPR, employment law and general food law regulation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to manipulation of revenue and or costs, and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Reviewing legal confirmations from external lawyers;
- Reviewing the financial statement disclosures and agreement to underlying supporting documentation;
- Challenging assumptions made by management in determining their significant judgements and accounting estimates; and
- Identifying and testing unusual journals posted to revenue.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### **Use of this report**

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## **Other required reporting**

### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Jonathan Lambert (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
10 February 2023

## funkypigeon.com Limited

### Statement of profit or loss and other comprehensive income For the year ended 31 August 2022

	Note	2022 £	2021 £
<b>Revenue</b>	3	34,753,366	54,096,154
Cost of sales		(6,853,519)	(14,056,432)
<b>Gross profit</b>		<b>27,899,847</b>	<b>40,039,722</b>
Distribution costs		(11,195,565)	(10,132,088)
Administrative expenses		(13,501,536)	(16,658,694)
Other operating income	4	123,759	39,126
<b>Operating profit</b>	5	<b>3,326,505</b>	<b>13,288,066</b>
Interest payable and similar expenses	8	(35,214)	(27,153)
<b>Profit before taxation</b>		<b>3,291,291</b>	<b>13,260,913</b>
Tax on profit	9	(424,444)	(2,400,814)
<b>Profit for the financial year</b>		<b>2,866,847</b>	<b>10,860,099</b>
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		<b>2,866,847</b>	<b>10,860,099</b>

All results are derived from continuing operations.

# funkypigeon.com Limited


## Balance sheet As at 31 August 2022

	Note	2022 £	2021 £
<b>Non-current assets</b>			
Intangible assets	10	4,463,488	2,634,939
Property, plant and equipment	11	1,915,919	1,683,700
Right-of-use assets	12	813,189	1,138,831
Deferred tax asset	9	-	95,667
		<b>7,192,596</b>	<b>5,553,137</b>
<b>Current assets</b>			
Inventories	13	1,904,872	1,478,862
Trade and other receivables: amounts falling due within one year	14	171,422,797	130,451,468
Cash and cash equivalents		1,019,862	5,635,557
		<b>174,347,531</b>	<b>137,565,887</b>
<b>Current liabilities</b>			
Trade and other payables: amounts falling due within one year	15	(150,016,687)	(114,186,113)
Lease liabilities	12	(195,280)	(216,693)
		<b>24,135,564</b>	<b>23,163,081</b>
<b>Net current assets</b>		<b>24,135,564</b>	<b>23,163,081</b>
<b>Total assets less current liabilities</b>		<b>31,328,160</b>	<b>28,716,218</b>
<b>Non-current liabilities</b>			
Trade and other payables: amounts falling due after more than one year	15	(239,007)	(289,733)
Deferred tax liabilities	9	(69,851)	-
Lease liabilities	12	(1,026,208)	(1,300,238)
		<b>29,993,094</b>	<b>27,126,247</b>
<b>Net assets</b>		<b>29,993,094</b>	<b>27,126,247</b>
<b>Equity</b>			
Called up share capital	16	100	100
Retained earnings		29,992,994	27,126,147
<b>Total shareholders' funds</b>		<b>29,993,094</b>	<b>27,126,247</b>

The notes on pages 13 to 25 are an integral part of these financial statements.

These financial statements of funkypigeon.com Limited, registered number 06208854, on pages 11 to 25, were approved by the Board of Directors and authorised for issue on 10 February 2023.

Signed on behalf of the Board of Directors



Robert J Moorhead  
Director

# funkypigeon.com Limited

## Statement of changes in equity For the year ended 31 August 2022

	Called up equity share capital £	Retained earnings £	Total shareholders' funds £
<b>Balance as at 1 September 2020</b>	<b>100</b>	<b>16,266,048</b>	<b>16,266,148</b>
Profit for the financial year	-	10,860,099	10,860,099
Other comprehensive income for the year	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>10,860,099</b>	<b>10,860,099</b>
Dividends paid	-	-	-
<b>Balance as at 31 August 2021</b>	<b>100</b>	<b>27,126,147</b>	<b>27,126,247</b>
<b>Balance as at 1 September 2021</b>	<b>100</b>	<b>27,126,147</b>	<b>27,126,247</b>
Profit for the financial year	-	2,866,847	2,866,847
Other comprehensive income for the year	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>2,866,847</b>	<b>2,866,847</b>
Dividends paid	-	-	-
<b>Balance as at 31 August 2022</b>	<b>100</b>	<b>29,992,994</b>	<b>29,993,094</b>

# **funkypigeon.com Limited**

## **Notes to the financial statements Year ended 31 August 2022**

### **1. Accounting policies**

A summary of principal accounting policies is set out below.

#### **General information**

funkypigeon.com Limited is a private Company limited by shares and is incorporated and domiciled in the United Kingdom, and registered in England and Wales.

#### **Accounting convention**

The financial statements of funkypigeon.com Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101).

The financial statements are prepared under the historical cost basis and are in compliance with the Companies Act 2006 as applicable to companies applying FRS 101 and applicable United Kingdom law and accounting standards.

All accounting policies have been applied consistently in the current year and the prior year, except as noted below and under "new standards adopted in the year."

#### **Basis of preparation**

The financial statements are for the year ended 31 August 2022. The prior year financial statements were the year ended 31 August 2021.

The financial statements have been prepared on the going concern basis as explained below.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, maturity analysis of lease liabilities, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, presentation of a statement of financial position as at the beginning of the preceding period when making a retrospective restatement, standards not yet effective and certain related party transactions.

Where relevant, equivalent disclosures have been given in the group financial statements of WH Smith PLC. The group financial statements of WH Smith PLC are available to the public and can be obtained as set out in Note 19.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

The functional currency of funkypigeon.com Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

#### **Going concern**

The directors are required to assess whether the Company can continue to operate for the 12 months from the date of approval of these financial statements, and to prepare the financial statements on a going concern basis.

The directors report that they have undertaken a rigorous assessment of current performance and forecasts, including expenditure commitments, capital expenditure and borrowing facilities. The Company has made a profit in the year, and has net current assets and net assets. In making the Company's going concern assessment the directors have modelled a base case scenario consistent with the Company's board approved 2023 Budget. The directors have also considered a severe but plausible downside scenario which overlays the impact on cash flows of a cyber incident of a similar magnitude to that experienced in 2022. Under both the base case and severe but plausible scenarios, the Company would have sufficient financial resources to continue in operation throughout the forecast period.

# **funkypigeon.com Limited**

## **Notes to the financial statements (continued)** **Year ended 31 August 2022**

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

#### **Going concern (continued)**

The Strategic report describes the Company's financial position, cash flows and borrowing facilities and also highlights the principal risks and uncertainties facing the Company. The Strategic report of the WH Smith PLC Annual Report and Accounts 2022, which does not form part of this report, also sets out the Group's business activities together with the factors that are likely to affect its future developments, performance and position. The WH Smith PLC Annual Report and Accounts 2022 also outlines the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures. A copy of the WH Smith PLC Annual Report is available on the Group's website at [www.whsmithplc.co.uk](http://www.whsmithplc.co.uk).

As a result of the above analysis, the directors believe that the Company has sufficient financial resources to continue in operation and meet its obligations as they fall due for the 12 months from the date of approval of these financial statements, and therefore it is appropriate to adopt the going concern basis of accounting in preparing these financial statements. No changes in the Company's principal activities are foreseen.

#### **New standard adopted in the year**

The Company has adopted the following standard and interpretation which became mandatory during the current financial year. This change has had no material impact on the Company's financial statements:

Amendment to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest rate benchmark reform – Phase 2

#### **Revenue**

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for the sale of goods to customers. Revenue excludes discounts, estimated returns, VAT and other sales-related taxes.

Revenue is recognised when performance obligations have been met and control of the goods has transferred to the customer. The majority of the Company's sales are for standalone products made direct to customers at standard prices online, where there is a single performance obligation. For online transactions control is deemed to have transferred to the customer at the point of delivery of the goods.

#### **Inventories**

Inventories comprises raw materials and goods for resale and are stated at the lower of cost and net realisable value. Inventories are valued using a weighted average cost method.

Cost is calculated to include, where applicable, duties, handling, transport and directly attributable costs (including a deduction for applicable supplier income) in bringing the inventories to their present location and condition. Net realisable value is based on estimated normal selling prices less further costs expected to be incurred in selling and distribution.

Provisions are made for obsolescence, markdown and shrinkage.



# **funkypigeon.com Limited**

## **Notes to the financial statements (continued)** **Year ended 31 August 2022**

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

#### **Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **a) Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

##### **b) Deferred tax**

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the Statement of profit or loss and other comprehensive income, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

#### **Property, plant and equipment**

Property, plant and equipment assets are carried at cost less accumulated depreciation and any recognised impairment in value. The carrying values of property, plant and equipment previously revalued have been retained at their book amount. Depreciation is charged so as to write off the costs of assets, other than land, over their estimated useful lives, using the straight-line method, with the annual rates applicable to the principal categories being:

Short-term leasehold	over the period of the leases or their estimated remaining lives if less
Fixtures and fittings	up to 5 years
Computer equipment	up to 8 years

The residual values of property, plant and equipment are reassessed on an annual basis.

At each balance sheet date, property, plant and equipment is reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is assessed by reference to the net present value of expected future pre-tax cash flows of the relevant cash-generating unit or fair value, less costs to sell, if higher. Any impairment in value is charged to the Statement of profit or loss and other comprehensive income in the period in which it occurs

# **funkypigeon.com Limited**

## **Notes to the financial statements (continued)** **Year ended 31 August 2022**

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

#### **Intangible assets**

The costs of acquiring and developing software that is not integral to the related hardware is capitalised separately as an intangible asset. These intangibles are stated at cost less accumulated amortisation and impairment losses. Amortisation is charged so as to write off the costs of assets over their estimated useful lives, using the straight-line method, and is recorded in Distribution costs. The estimated lives are usually a period of up to five years. Intangible assets are reviewed for impairment in accordance with IAS 36, Impairment of Assets when there are indications that the carrying value may not be recoverable.

#### **Leases**

##### ***The Company as a lessee***

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Where lease contracts are signed by another Group entity (generally the parent entity) but the Company is utilising the underlying asset, an implied intercompany lease arrangement is recorded where the Company is regarded as a lessee and another Group company is regarded as a lessor, at mirror terms to the head lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments, less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The lease liability is presented as a separate line in the consolidated balance sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

## **funkypigeon.com Limited**

### **Notes to the financial statements (continued) Year ended 31 August 2022**

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

##### **Leases (continued)**

##### ***The Company as a lessee (continued)***

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease payments change due to changes in an index, rent review or rate, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate.
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.
- The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

Right-of-use assets are depreciated over the lease term. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the balance sheet.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

The lease contracts that include variable rents based on sales, which is the case with many of our retail concession contracts, are not included in the measurement of the lease liability and the right-of-use asset. The related rents payable are recognised as an expense in the period in which the event or condition that triggers those payables occurs and are included in profit or loss.

The Company has applied the Amendment to IFRS 16 issued in June 2021 and further extension granted in March 2022. This practical expedient allows the impact on the lease liability of temporary rent reductions/waivers affecting rent payments due on or before June 2022, to be recognised in the Income statement in the period they are received, rather than as lease modifications, which would require the remeasurement of the lease liability using a revised discount rate with a corresponding adjustment to the right-of-use asset.

# **funkypigeon.com Limited**

## **Notes to the financial statements (continued) Year ended 31 August 2022**

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

#### **Financial instruments**

##### **a) Trade receivables**

Trade receivables are measured at fair value at initial recognition, do not carry any interest and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the Statement of profit or loss and other comprehensive income.

Allowances for doubtful debts are recognised based on management's expectation of losses, without regard to whether an impairment trigger has occurred or not (an 'expected credit loss' model under IFRS 9).

##### **b) 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 of three months or less. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

##### **c) Financial liabilities and equity**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

##### **d) Trade payables**

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

##### **e) Equity instruments**

Equity instruments issued are recorded at the proceeds received, net of direct issue costs.

##### **f) Offsetting**

Financial assets and financial liabilities are offset and the net position presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### **Pension costs**

Costs in respect of the Company's defined contribution pension schemes are charged to the statement of profit or loss and other comprehensive income on an accruals basis as contributions become payable.

#### **Government grants**

Government grants are recognised in the statement of profit or loss and other comprehensive income in the same period as the expenditure to which they relate. Grants in respect of costs already incurred are recognised in the statement of profit or loss and other comprehensive income as they are received.

# **funkypigeon.com Limited**

## **Notes to the financial statements (continued)** **Year ended 31 August 2022**

### **2. Critical accounting judgements and sources of estimation uncertainty**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. Significant items subject to such assumptions and estimates include the useful economic life of assets; the measurement and recognition of provisions; the recognition of deferred tax assets; determination of lease term and incremental borrowing rates in relation to leases. Actual results could differ from these estimates and any subsequent changes are accounted for with an effect on income at the time such updated information becomes available.

The most critical judgements are set out below:

#### **a) Carrying value of receivables at amortised cost**

The Company reviews its receivables from Group undertakings (see Note 14) in accordance with IFRS 9 'Financial Instruments' to assess if a provision for expected credit loss is required. This assessment involves judgement in assessing the capability of the counterparty to repay amounts owed to the Company. In the current and prior year, the available financial information of the counterparty entities was reviewed and it was concluded that the counterparties were capable of settling the amounts owed to the Company on demand from readily accessible liquid funds. The factors taken into account in making this judgement included the available cash on the balance sheet of the counterparties, and the amount of funds to which the counterparty had access at the balance sheet date.

#### **b) Determination of lease term**

In determining the lease term for contracts that have options to extend or terminate early, management has applied judgement in determining the likelihood of whether such options will be exercised. This is based on the length of time remaining before the option is exercisable, performance of the individual store and the trading forecasts.

The most significant sources of estimation uncertainty are as follows:

#### **a) Intangible assets and property, plant and equipment impairment reviews**

Property, plant and equipment and intangible assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable (see Notes 10 and 11). When a review for impairment is conducted the recoverable amount of an asset or a cash-generating unit is determined based on value-in-use calculations prepared on the basis of management's assumptions and estimates.

#### **b) Inventory valuation**

Inventory (see Note 13) is carried at the lower of cost and net realisable value which requires the estimation of the eventual sales price of goods to customers in the future. Any difference between the expected and the actual sales price achieved will be accounted for in the period in which the sale is made.

### **3. Revenue**

Substantially all revenue is from the sale of goods and arises in the United Kingdom from retailing.

There is no material difference between the geographical origin and destination of turnover.

### **4. Other operating income**

Other income recognised in the year ended 31 August 2022 of £123,759 (2021: £39,126) relates to government grants in respect of research and development expenditure.

# funkypigeon.com Limited

## Notes to the financial statements (continued) Year ended 31 August 2022

### 5. Operating profit

Operating profit is stated after charging:

	2022 £	2021 £
Depreciation of owned tangible assets	363,802	278,848
Amortisation of intangible assets	757,358	738,622
Impairment of intangible assets	1,249,055	-
Cost of inventory recognised as an expense	6,853,519	14,056,432
Auditors' fees		
- fees payable to Company's auditors for the audit of the Company's financial statements	15,000	12,500

There were no non-audit fees (2021: £nil). Statutory disclosures in respect of non-audit fees are given in the consolidated financial statements of WH Smith PLC.

### 6. Employees and staff costs

The Company has no employees (2021: nil) under contracts of service but does utilise the services of employees employed by another Group company, WH Smith Retail Holdings Limited, the costs of which are recharged to the Company as follows:

	2022 £	2021 £
<b>Staff costs</b>		
Wages and salaries	3,498,564	3,948,340
Social security costs	359,997	338,291
Other pension costs	78,265	78,116
	<u>3,936,826</u>	<u>4,364,747</u>
	2022 No.	2021 No.
Monthly average number of employees (Retailing)	<u>113</u>	<u>97</u>

### 7. Directors' remuneration

The remuneration of both R J Moorhead and I Houghton is paid by a fellow Group company and no allocation (2021: no allocation) of their services, as directors of funkypigeon.com Limited and other Group companies, is made. Both directors serve as directors a number of fellow subsidiaries and it is not possible to make an accurate apportionment of their remuneration in respect of each of the subsidiaries. Accordingly, no disclosure in respect of the remuneration of the directors is made. The remuneration of both R J Moorhead and I Houghton is disclosed in the financial statements of WH Smith Retail Holdings Limited. The remuneration of R J Moorhead is also included in the directors' emoluments disclosed in the consolidated financial statements of WH Smith PLC.

### 8. Interest payable and similar expenses

	2022 £	2021 £
Interest on lease liabilities	35,214	27,153
	<u>35,214</u>	<u>27,153</u>

# funkypigeon.com Limited

## Notes to the financial statements (continued) Year ended 31 August 2022

### 9. Tax on profit

#### (a) Tax on profit

Tax expense included in profit or loss:

	2022	2021
	£	£
Current tax:		
Current year charge	332,427	2,323,905
Adjustments in respect of prior years	(73,501)	40,060
	<hr/>	<hr/>
Total current tax	258,926	2,363,965
Deferred tax:		
Adjustments in respect of prior years	112,510	3,881
Origination and reversal of timing differences	47,730	55,928
Change in tax rates	5,278	(22,960)
	<hr/>	<hr/>
<b>Tax on profit</b>	<b>424,444</b>	<b>2,400,814</b>
	<hr/>	<hr/>

#### (b) Reconciliation of the tax charge

	2022	2021
	£	£
Profit before taxation	3,291,291	13,260,913
	<hr/>	<hr/>
Tax on profit before taxation at the UK rate of corporation tax 19.00% (2021: 19.00%)	625,345	2,519,573
Expenses not deductible for tax purposes	22,517	23,216
Non-taxable income	(267,705)	(162,956)
Adjustments in respect of prior years	39,009	43,941
Change in tax rates	5,278	(22,960)
	<hr/>	<hr/>
<b>Total tax charge</b>	<b>424,444</b>	<b>2,400,814</b>
	<hr/>	<hr/>

#### (c) Deferred tax

The following are the major deferred tax assets recognised by the Company and movements thereon during the current and prior reporting years:

	2022	2021
	£	£
<b>Amounts falling due after more than one year:</b>		
Deferred tax asset – depreciation in excess of capital allowances	-	95,667
Deferred tax liabilities – capital allowances in excess of depreciation	(69,851)	-
	<hr/>	<hr/>

# funkypigeon.com Limited

## Notes to the financial statements (continued) Year ended 31 August 2022

### 9. Tax on profit (continued)

#### (c) Deferred tax (continued)

The movement on net deferred tax asset / (liability) is as follows:	2022 £	2021 £
Opening balance	95,667	132,515
Charged to income	(47,730)	(55,928)
Adjustment in respect of prior years	(112,510)	(3,880)
Change in tax rates	(5,278)	22,960
<b>Closing balance</b>	<b>(69,851)</b>	<b>95,667</b>

These assets have been recognised in the financial statements as the directors are of the opinion, based on recent and forecast trading, that they will be recoverable against future taxable profits of the Company.

The UK corporation tax rate is 19 per cent. In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25 per cent. This new law was substantively enacted on 24 May 2021, and the main impact of this change has been factored into 31 August 2021 year end accounts.

### 10. Intangible assets

	Total £
<b>Cost</b>	
At 1 September 2021	7,310,555
Additions	3,834,961
Disposals	(1,843,708)
<b>At 31 August 2022</b>	<b>9,301,808</b>
<b>Accumulated amortisation</b>	
At 1 September 2021	4,675,616
Charge for the year	757,358
Impairment	1,249,055
Disposals	(1,843,709)
<b>At 31 August 2022</b>	<b>4,838,320</b>
<b>Net book value</b>	
<b>At 31 August 2022</b>	<b>4,463,488</b>
At 31 August 2021	2,634,939

Intangible assets relate to software and are being amortised over a period of up to five years. Amortisation is included within Distribution costs on the face of the statement of profit or loss and other comprehensive income. The Company incurred a non-cash impairment charge of software assets of £1,249,055 related to a cyber incident.



# funkypigeon.com Limited

## Notes to the financial statements (continued) Year ended 31 August 2022

### 11. Property, plant and equipment

	Short-term leasehold £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>				
At 1 September 2021	284,368	433,243	3,254,217	3,971,828
Additions	5,000	79,718	511,303	596,021
<b>At 31 August 2022</b>	<b>289,368</b>	<b>512,961</b>	<b>3,765,520</b>	<b>4,567,849</b>
<b>Accumulated depreciation</b>				
At 1 September 2021	114,079	355,634	1,818,415	2,288,128
Charge for the year	28,687	15,553	319,562	363,802
<b>At 31 August 2022</b>	<b>142,766</b>	<b>371,187</b>	<b>2,137,977</b>	<b>2,651,930</b>
<b>Net book value</b>				
<b>At 31 August 2022</b>	<b>146,602</b>	<b>141,774</b>	<b>1,627,543</b>	<b>1,915,919</b>
At 31 August 2021	170,289	77,609	1,435,802	1,683,700

### 12. Leases

	2022 £	2021 £
Right-of-use assets		
- Property	813,189	1,138,831
<b>At 31 August</b>	<b>813,189</b>	<b>1,138,831</b>

During the year, addition to the right-of-use assets is £(158,964) (2021: £193,446) which include new leases, extensions to the existing lease, lease modifications and remeasurements.

	2022 £	2021 £
Lease liability		
- Current	195,280	216,693
- Non-current	1,026,208	1,300,238
<b>At 31 August</b>	<b>1,221,488</b>	<b>1,516,931</b>
	<b>2022 £</b>	<b>2021 £</b>
Depreciation on right-of-use assets		
- Property	166,679	171,187
Interest on lease liability	35,214	27,153
Expense relating to short-term leases	19,900	13,085
Expense relating to variable leases	-	7,075

The total cash outflow for leases in the financial year was £191,454 (2021: £278,521).

# funkypigeon.com Limited

## Notes to the financial statements (continued) Year ended 31 August 2022

### 13. Inventories

	2022 £	2021 £
Raw materials and consumables	1,340,135	900,798
Finished goods and goods for resale	564,737	578,064
	<u>1,904,872</u>	<u>1,478,862</u>

### 14. Trade and other receivables

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Trade receivables	91,276	31,064
Amounts owed by group undertakings	170,411,908	129,932,437
Prepayments and accrued income	919,613	369,782
Corporation tax	-	118,185
	<u>171,422,797</u>	<u>130,451,468</u>

All amounts owed by parent and group undertakings are non-interest bearing and repayable on demand

### 15. Trade and other payables

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Trade payables	368,106	611,063
Amounts owed to group undertakings	145,907,617	110,293,272
Accruals and deferred income	1,989,848	1,743,505
Other payables	1,090,977	628,831
Other taxes and social security	660,139	909,442
	<u>150,016,687</u>	<u>114,186,113</u>

All amounts owed to group undertakings are unsecured, non-interest bearing and repayable on demand.

#### Amounts falling due after more than one year:

	2022 £	2021 £
Other payables	239,007	289,733
	<u>239,007</u>	<u>289,733</u>

# **funkypigeon.com Limited**

## **Notes to the financial statements (continued) Year ended 31 August 2022**

### **16. Called up share capital**

	<b>2022</b>		<b>2021</b>	
	<b>Number of shares No.</b>	<b>Nominal value £</b>	<b>Number of shares No.</b>	<b>Nominal value £</b>
<b>Allotted and fully paid</b>				
Ordinary "A" shares of £1 each	50	50	50	50
Ordinary "B" shares of £1 each	50	50	50	50
	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Ordinary "A" shares carry one vote per share. Ordinary "B" shares are non-voting and do not carry any rights to appoint officers of the Company, but in all other respects rank pari passu with the Ordinary "A" shares.

### **17. Contingent liabilities**

The Company is a guarantor on the WH Smith PLC Group's £250,000,000 revolving credit facility which expires on 28 April 2025 alongside WH Smith Retail Holdings Limited, WH Smith High Street Limited, WH Smith Travel Limited, WH Smith Hospitals Limited, InMotion Entertainment Group LLC and The Marshall Retail Group LLC.

The Company is also a guarantor, alongside the other Group companies listed above, on a committed term loan of £133,000,000 due to mature on 28 April 2025.

### **18. Related party transactions**

The Company has taken advantage of the exemptions granted by paragraph 8(k) of FRS 101, not to disclose transactions with WH Smith PLC Group companies and interests of the Group who are related parties.

### **19. Ultimate parent company**

The ultimate parent company and controlling party is WH Smith PLC, a company registered in England and Wales. WH Smith PLC heads the largest and smallest group of companies of which the Company is a member for which consolidated financial statements are prepared.

The immediate parent company is WH Smith High Street Limited, a company registered in England and Wales.

Copies of both sets of financial statements are available from:

The Company Secretary  
WH Smith PLC  
Greenbridge Road  
Swindon  
Wiltshire  
SN3 3RX