

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2020
FOR
HEADROCK RETAIL LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2020

	Page
Company Information	1
Strategic Report	2
Report of the Directors	3
Report of the Independent Auditors	4
Statement of Income and Retained Earnings	6
Balance Sheet	7
Cash Flow Statement	8
Notes to the Cash Flow Statement	9
Notes to the Financial Statements	10

HEADROCK RETAIL LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 JANUARY 2020

DIRECTORS:

D R Tynan
C P Mills

REGISTERED OFFICE:

107 Bell Street
London
NW1 6TL

REGISTERED NUMBER:

09322867 (England and Wales)

AUDITORS:

Butters Gates & Company
part of Pulp Fraction Limited
(Statutory Auditor)
107 Bell Street
London
NW1 6TL

STRATEGIC REPORT
FOR THE YEAR ENDED 31 JANUARY 2020

The directors present their strategic report for the year ended 31 January 2020.

Principal activities: is the sale of clothing, through retail stores

Business review

The results of the Company for the year are set out on Page 6 and the position of the company is shown on Page 7. The turnover for the year was £11.8m (2019: £12.4m), a decrease of 4.83%.

The net loss after tax for the year was £169K (2019: profit £491K) and earnings before interest, taxation, depreciation, amortisation amounted to £140K (2019: profit £854K).

The company has no tax payable or receivable, as there are losses brought forward from previous years.

Total net liabilities at 31st January 2020 are: £899K (2019: Total net liabilities £730K). The net current liabilities are £1,037K (2019: net current liabilities £1,142K).

Financial risk management

Financial risk management of the business is in line with Headrock Retail Limited policy.

The principal risk is the continued support from our supplier and the ability for us to find suitable sales channels. There is also the uncertainty of the future of retail in the UK.

Key performance indicators

The key performance indicators of Headrock Retail Limited, are as stated above within the business review.

Future developments

The future of Headrock Retail Limited has changed dramatically over the last year due to Covid 19. This has led to Debenhams, our main business, going into administration. Turnover will be significantly reduced going forward. As stated above the continued support of our main supplier is key to the ability of the company to continue trading.

ON BEHALF OF THE BOARD:

C P Mills - Director

20 May 2021

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 JANUARY 2020

The directors present their report with the financial statements of the company for the year ended 31 January 2020.

DIVIDENDS

No dividends will be distributed for the year ended 31 January 2020.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 February 2019 to the date of this report.

D R Tynan
C P Mills

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that she ought to have taken as a director in order to make herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Butters Gates & Company, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

C P Mills - Director

20 May 2021

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
HEADROCK RETAIL LIMITED

Opinion

We have audited the financial statements of Headrock Retail Limited (the 'company') for the year ended 31 January 2020 which comprise the Statement of Income and Retained Earnings, Balance Sheet, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, 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 Financial Reporting Standard 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 state of the company's affairs as at 31 January 2020 and of its loss 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 qualified 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 Auditors' 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.

Material Uncertainty Related to Going Concern

We are aware that the company is dependent upon the major supplier continuing to provide support. Negotiations are still on going with the major supplier and without their support this will cast significant doubt on the Company's ability to continue as a going concern.

We draw attention to Note 2 in the financial statement that the company current liabilities exceeds its current assets by £1,037K.

Our opinion is not modified in respect of the above matters.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
HEADROCK RETAIL LIMITED

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 the Report of the Directors.

We have nothing to report in respect of the following matters where 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 Statement of Directors' Responsibilities set out on page three, 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 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 a Report of the Auditors 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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 a Report of the Auditors 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.

Jonathan R Butters (Senior Statutory Auditor)
for and on behalf of Butters Gates & Company
part of Pulp Fraction Limited
(Statutory Auditor)
107 Bell Street
London
NW1 6TL

20 May 2021

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 JANUARY 2020

	Notes	31.1.20 £	31.1.19 £
TURNOVER		11,842,139	12,413,689
Cost of sales		<u>6,801,278</u>	<u>5,926,956</u>
GROSS PROFIT		5,040,861	6,486,733
Administrative expenses		<u>5,210,858</u> (169,997)	<u>5,985,022</u> 501,711
Other operating income		<u>111</u>	<u>100</u>
OPERATING (LOSS)/PROFIT	4	(169,886)	501,811
Interest payable and similar expenses	5	<u>-</u>	<u>10,000</u>
(LOSS)/PROFIT BEFORE TAXATION		(169,886)	491,811
Tax on (loss)/profit	6	<u>-</u>	<u>-</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(169,886)	491,811
Retained earnings at beginning of year		(730,131)	(1,221,942)
RETAINED EARNINGS AT END OF YEAR		<u>(900,017)</u>	<u>(730,131)</u>

The notes form part of these financial statements

HEADROCK RETAIL LIMITED (REGISTERED NUMBER: 09322867)

BALANCE SHEET
31 JANUARY 2020

	Notes	31.1.20 £	£	31.1.19 £	£
FIXED ASSETS					
Tangible assets	7		137,332		412,090
CURRENT ASSETS					
Stocks	8	1,233,259		1,479,840	
Debtors	9	1,450,115		1,122,083	
Cash at bank and in hand		<u>164,032</u>		<u>326,959</u>	
		2,847,406		2,928,882	
CREDITORS					
Amounts falling due within one year	10	<u>3,884,655</u>		<u>4,071,003</u>	
NET CURRENT LIABILITIES			<u>(1,037,249)</u>		<u>(1,142,121)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(899,917)</u>		<u>(730,031)</u>
CAPITAL AND RESERVES					
Called up share capital	11		100		100
Retained earnings	12		<u>(900,017)</u>		<u>(730,131)</u>
SHAREHOLDERS' FUNDS			<u>(899,917)</u>		<u>(730,031)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 20 May 2021 and were signed on its behalf by:

C P Mills - Director

The notes form part of these financial statements

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JANUARY 2020

	Notes	31.1.20 £	31.1.19 £
Cash flows from operating activities			
Cash generated from operations	1	(133,764)	176,739
Interest paid		-	(10,000)
Net cash from operating activities		<u>(133,764)</u>	<u>166,739</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		<u>(29,163)</u>	<u>(69,093)</u>
Net cash from investing activities		<u>(29,163)</u>	<u>(69,093)</u>
(Decrease)/increase in cash and cash equivalents		<u>(162,927)</u>	<u>97,646</u>
Cash and cash equivalents at beginning of year	2	326,959	229,313
Cash and cash equivalents at end of year	2	<u><u>164,032</u></u>	<u><u>326,959</u></u>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JANUARY 2020

1. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	31.1.20	31.1.19
	£	£
(Loss)/profit before taxation	(169,886)	491,811
Depreciation charges	303,921	347,790
Finance costs	-	10,000
	<u>134,035</u>	<u>849,601</u>
Decrease in stocks	246,581	335,917
Increase in trade and other debtors	(328,032)	(48,565)
Decrease in trade and other creditors	<u>(186,348)</u>	<u>(960,214)</u>
Cash generated from operations	<u><u>(133,764)</u></u>	<u><u>176,739</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 January 2020

	31.1.20	1.2.19
	£	£
Cash and cash equivalents	<u>164,032</u>	<u>326,959</u>

Year ended 31 January 2019

	31.1.19	1.2.18
	£	£
Cash and cash equivalents	<u>326,959</u>	<u>229,313</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.2.19	Cash flow	At 31.1.20
	£	£	£
Net cash			
Cash at bank and in hand	<u>326,959</u>	<u>(162,927)</u>	<u>164,032</u>
	<u>326,959</u>	<u>(162,927)</u>	<u>164,032</u>
Total	<u><u>326,959</u></u>	<u><u>(162,927)</u></u>	<u><u>164,032</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2020

1. STATUTORY INFORMATION

Headrock Retail 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.

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" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate, notwithstanding that the current liabilities exceed current assets by £1,037K as at 31 January 2020. The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through its operating cash flows, to meet its liabilities as they fall due for that period.

The cashflow forecasts have been prepared based upon successful negotiations with our major supplier. Failure of successful negotiations will cast significant doubt on the company's ability to continue to trade.

Turnover

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

Tangible fixed assets

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

Fixtures and fittings	- 33% on cost
Motor vehicles	- 25% on reducing balance
Computer equipment	- 25% on reducing balance

Stocks

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

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, 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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2020

2. ACCOUNTING POLICIES - continued

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

	31.1.20	31.1.19
	£	£
Wages and salaries	2,008,406	2,322,000
Social security costs	92,126	104,354
Other pension costs	21,881	17,533
	<u>2,122,413</u>	<u>2,443,887</u>

The average number of employees during the year was as follows:

	31.1.20	31.1.19
Administration	4	4
Stores	210	221
	<u>214</u>	<u>225</u>

	31.1.20	31.1.19
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

4. OPERATING (LOSS)/PROFIT

The operating loss (2019 - operating profit) is stated after charging:

	31.1.20	31.1.19
	£	£
Other operating leases	-	2,248
Depreciation - owned assets	303,921	347,790
Audit fees	<u>14,000</u>	<u>12,000</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.1.20	31.1.19
	£	£
Sundry loan write off	<u>-</u>	<u>10,000</u>

6. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 31 January 2020 nor for the year ended 31 January 2019.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2020

7. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 February 2019	1,416,694	-	27,151	1,443,845
Additions	13,140	16,023	-	29,163
At 31 January 2020	<u>1,429,834</u>	<u>16,023</u>	<u>27,151</u>	<u>1,473,008</u>
DEPRECIATION				
At 1 February 2019	1,013,383	-	18,372	1,031,755
Charge for year	297,721	4,005	2,195	303,921
At 31 January 2020	<u>1,311,104</u>	<u>4,005</u>	<u>20,567</u>	<u>1,335,676</u>
NET BOOK VALUE				
At 31 January 2020	<u>118,730</u>	<u>12,018</u>	<u>6,584</u>	<u>137,332</u>
At 31 January 2019	<u>403,311</u>	<u>-</u>	<u>8,779</u>	<u>412,090</u>

8. STOCKS

	31.1.20	31.1.19
	£	£
Stocks	<u>1,233,259</u>	<u>1,479,840</u>

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.1.20	31.1.19
	£	£
Trade debtors	1,174,006	845,974
Other debtors	273,437	273,437
Prepayments	2,672	2,672
	<u>1,450,115</u>	<u>1,122,083</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.1.20	31.1.19
	£	£
Trade creditors	3,195,218	3,101,375
Social security and other taxes	21,964	22,274
VAT	418,132	427,861
Other creditors	172,141	340,268
Accrued expenses	77,200	179,225
	<u>3,884,655</u>	<u>4,071,003</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2020

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	31.1.20	31.1.19
Number:	Class:		£	£
100	Ordinary shares	£1	<u>100</u>	<u>100</u>

12. RESERVES

	Retained earnings £
At 1 February 2019	(730,131)
Deficit for the year	<u>(169,886)</u>
At 31 January 2020	<u><u>(900,017)</u></u>

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.