

# **Victoria Beckham Holdings Limited**

Annual Report and Financial Statements

Year Ended

31 December 2021

Company Number 11043864



# Victoria Beckham Holdings Limited

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## Company Information

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<b>Directors</b>	V C Beckham D Belhassen S R Fuller E Hanouna O S Shipton R Toledano N J Howson
<b>Company secretary</b>	Abogado Nominees Limited
<b>Registered number</b>	11043864
<b>Registered office</b>	202 Hammersmith Road London W6 7DN
<b>Independent auditor</b>	BDO LLP Arcadia House Maritime Walk Ocean Village Southampton SO14 3TL

# Victoria Beckham Holdings Limited

## Group Strategic Report For the Year Ended 31 December 2021

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### Introduction

The directors present their review of the Group's financial and strategic performance during the year ended 31st December 2021.

During this pivotal year for the business, a successful fashion brand repositioning was implemented, and the beauty brand expanded its growing global footprint.

### Business review

The principal activity continued to be the operation of the "Victoria Beckham" global luxury fashion brand and the "Victoria Beckham Beauty", global prestige make-up and skincare brand.

- 2021 marks the return to sales growth for Victoria Beckham Holdings Ltd with revenue up 13% to £40.9m, versus £36.1m in 2020. This is the second consecutive year where the company significantly improved its results with EBITDA losses 'halving' to -£2.0m in 2021 versus -£5.2m in 2020 and operating losses declining from -£6.8m (2020) to -£3.9m (2021). The results reflect the significant turnaround in the business as it delivers on its plan to profitability of the group.
- In H1 2021, the Fashion business rolled out a full brand repositioning, and its two brands Victoria Beckham (VB) and Victoria, Victoria Beckham (VVB) were merged into one cohesive line. In July 2021, the Group presented its first collection for Pre-Spring Summer 2022, under the single brand. The successful repositioning led to double-digit growth in three consecutive wholesale fashion campaigns.
- Since its successful launch in October 2019, Victoria Beckham Beauty has continued to grow revenues in its make-up and skincare business. The brand has won 19 awards for its luxury high-performance, clean products and has established a significant community of loyal customers. Over the year, the business expanded its footprint, opening a UK warehouse and in New York department store Bergdorf Goodman in Autumn 2021. The Victoria Beckham Beauty website added Australian and Canadian storefronts growing the business in these two top performing markets.

### Financial key performance indicators

The Group has enhanced its governance and the reporting of key performance indicators (KPIs) to ensure optimal business performance. The directors monitor the progress on the strategy by reference to the following core KPIs:

- **Sales evolution:** the Group saw growth from all its three channels; wholesale, online and store resulting in revenues up by 13% on last year (2020: -6%).
- **Operating costs reduction:** cost discipline and the successful implementation of a new model in the Fashion business in Q4 2020, contributed to a reduction of costs as a % of sales by five basis points.
- **EBITDA improvement:** the Directors are pleased with the 61% improvement in EBITDA for the year. The Group decreased operating losses from -£6.8m (FY20) to -£3.9m (FY21). The reduced losses resulted from an improvement in the gross margin to 68% from 61% through tighter supply chain management, revenue shifting towards DTC channels and the implementation of a new business model.

# Victoria Beckham Holdings Limited

## Group Strategic Report (continued) For the Year Ended 31 December 2021

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### Events since the end of the year

The business continues to show double-digit growth across all channels in 2022. The group is adapting its logistics and sourcing models to the ongoing worldwide supply chain challenges. This has allowed it to absorb the longer lead times whilst keeping price points stable.

The Fashion business is now accelerating its geographic expansion with new customers in Europe and Middle East and the brand is expanding into new product categories with the launch of leather goods and the VB Body line in 2022. There has been no cash requirement this year.

In 2022 the Beauty brand has launched new lines in skincare and make up and it continues to celebrate its innovative skincare collaboration with Augustinus Bader. Its profitable growth has required cash injection of £2m for investment in stock since the year end.

### Principal risks and uncertainties

The directors assess the principal risks and uncertainties facing the Group in both the short-term and long-term, these are grouped as liquidity risk, commercial risk, currency risk, trademarks & macroeconomic environment.

- **Liquidity Risk:** Liquidity risk for the Group arises from the management of working capital commitments and meeting its financial obligations as they fall due. The Group's policy is to review cash flow forecasts and projections regularly as well as information regarding cash balances to ensure that it has significant cash to allow it to meet its liabilities as they become due.
- **Commercial Risk:** The principal commercial risks in the activities of the Group relate to the ability of the brand to design and market products which attract customers to the Group's websites and to our stores. The Group aims to manage this risk by continuing to strengthen design, product, and marketing propositions.
- **Currency Risk:** The Group is also exposed to currency risk by virtue of the proportion of its business being invoiced in foreign currencies. The Group generates cash in foreign currencies enabling risk management.
- **Trademarks:** The directors recognise the risks associated with not adequately protecting the brand's trademarks. As such, the Group invests strongly in securing and defending intellectual property rights in various product categories and countries.
- **Uncertain global economic environment:** As a result of the COVID-19 pandemic and the economic impact particularly felt by retailers, the directors continue to review cash forecasts on a regular basis and ensure costs are kept under control. The Group will continue to look ahead and mitigate further risks as they arise.

# Victoria Beckham Holdings Limited

## Group Strategic Report (continued) For the Year Ended 31 December 2021

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### Stakeholder Engagement and Section 172(1) of the Companies Act

The directors are responsible for promoting the long-term success of the Group by creating and maintaining sustainable value for all stakeholders. This responsibility is discharged by the role the directors play in reviewing and making decisions with regards to the Group's strategy, approval of budgets, organizational changes, and other key policy changes. The Group's key stakeholders include employees, customers, suppliers, shareholders and the communities and environments in which the Group operates. The Board acknowledges its responsibilities under Section 172 of the Companies Act 2006 and below sets out the key considerations that demonstrate how the directors promote the success of the Company and discharge their duties:

a) **The likely consequences of any decision in the long term:**

The board meets on a quarterly basis with papers circulated in advance. This enables the directors to fully understand the performance and position of the Group when making decisions of strategic importance. When the Board is approving decisions, the requirements of Section 172 are considered and the potential outcome of the decisions, including the impact on relevant stakeholder groups.

b) **The interest of the Group's employees:**

The Group relies on the skills, experience and commitment of our people to meet our business goals. The Board aim to attract and retain high-quality employees, providing them with the right tools, development and information to be effective in their roles.

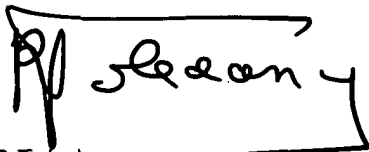
c) **The need to foster the Group's business relationships with suppliers, customers, and others:**

- **Customers:** The Group brings high-end design and products to our customers. Feedback gathered through the customer experience is measured and reviewed.
- **Suppliers:** The Group works alongside suppliers to foster close working relationships.
- **Shareholders:** The Group engages with investors in the Company giving them a full understanding of the business including the strategy, growth potential and risks in the business as well as the overall performance of the business. Shareholder meetings are regularly conducted by the Chairman and Senior Management of the Company.

d) **The impact of the Group's operations on the community and environment**

The Group actively engages with the communities in which the Group and our suppliers operate. The Group works closely with mills, collaborating with them to meet the highest possible standards. The Group's sustainability agenda includes focusing on methods for improving and reducing packaging and using materials which minimise environmental impact.

This report was approved by the board and signed on its behalf.



R Toledano  
Director

Date: 17/11/2022

# Victoria Beckham Holdings Limited

## Directors' Report For the Year Ended 31 December 2021

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The directors present their report together with the audited financial statements for the year ended 31 December 2021.

### Results and dividends

The loss for the year, after taxation and minority interests, amounted to £5,887,036 (2020 - loss of £8,581,944).

The Directors do not recommend the payment of a dividend (2020 - £Nil).

### Going concern and future developments

The Company meets its day-to-day working capital requirements through equity funding as well as bank facilities.

During the 2021 financial year the ultimate shareholders provided additional loans of £0.6m to the group.

The Company, together with the Board and the leadership team, has developed a strategic plan for the business with the specific focus of re-calibrating the model for the long term and addressing new opportunities afforded by the continual growth of the ecommerce business.

Further information on the going concern position of the Company is provided in note 2 of the financial statements.

### Matters covered in the Group Strategic Report

Details of post balance sheet events, financial risk management and relationships with suppliers are covered in the Strategic Report.

### Qualifying third party indemnity provisions

As permitted by the Articles of Association, the Directors have the benefit of an indemnity, which is a qualifying third-party indemnity provision by section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force.

### Streamlined Energy and Carbon Reporting

The Group has not disclosed information in respect of greenhouse gas emissions, energy consumption and energy efficiency action as its energy consumption in the United Kingdom for the year is 40,000kWh or lower as a result of the Group's subsidiaries being exempt from the requirements of the standard.

### Directors

The directors who served during the year and since the year end were:

V C Beckham  
D Belhassen  
S R Fuller  
E Hanouna  
O S Shipton  
R Toledano  
N J Howson (appointed 3 February 2021)  
A N Magnani (resigned 1 June 2021)

# Victoria Beckham Holdings Limited

## Directors' Report (continued) For the Year Ended 31 December 2021

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### Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 group and company 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 the Group and of the profit or loss of the Group 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

### Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

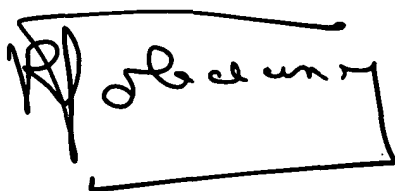
### Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

R Toledano  
Director

Date: 17/11/2022



# Victoria Beckham Holdings Limited

## Independent Auditors' Report to the Members of Victoria Beckham Holdings Limited

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### Opinion on the financial statements

In our opinion:

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

We have audited the financial statements of Victoria Beckham Holdings Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2021 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and 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).

### Basis for opinion

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

### Independence

We remain independent of the Group and the Parent 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.

### Material uncertainty related to going concern

We draw attention to note 2.3 to the financial statements, which indicates that the Group will require continued shareholder support and financing and that no contractual agreements are in place for this funding. As stated in note 2, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group and the Parent Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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



# Victoria Beckham Holdings Limited

## Independent Auditors' Report to the Members of Victoria Beckham Holdings Limited (continued)

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### Other information

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

We have nothing to report in this regard

### Other Companies Act 2006 reporting

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

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

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

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

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

### Responsibilities of Directors

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

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent 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 Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

# Victoria Beckham Holdings Limited

## Independent Auditors' Report to the Members of Victoria Beckham Holdings Limited (continued)

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

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

#### *Extent to which the audit was capable of detecting irregularities, including fraud*

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

- discussions with management and those charged with governance regarding known or suspected instances of non-compliance with laws and regulations;
- obtaining an understanding of controls designed to prevent and detect irregularities, including specific consideration of controls and group accounting policies relating to significant accounting estimates;
- obtaining an understanding of the significant laws and regulations impacting the group;
- communicating relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit;
- reviewing minutes of meetings of those charged with governance to identify any instances of non-compliance with laws and regulations; and
- assessing journals entries as part of our planned audit approach, with a particular focus on journal entries to key financial statement areas such as revenue and inventories and journals raised after the year end.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

# Victoria Beckham Holdings Limited

## Independent Auditors' Report to the Members of Victoria Beckham Holdings Limited (continued)

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### Use of our report

This report is made solely to the Parent 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 Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

*Arbinder Chatwal*

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**Arbinder Chatwal** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Southampton  
United Kingdom

Date: 18 November 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Victoria Beckham Holdings Limited

## Consolidated Statement of Comprehensive Income For the Year Ended 31 December 2021

	Note	2021 £	2020 £
Turnover	4	40,853,670	36,133,572
Cost of sales		(13,162,009)	(14,017,863)
<b>Gross profit</b>		<b>27,691,661</b>	<b>22,115,709</b>
Distribution costs		(2,603,910)	(2,077,539)
Administrative expenses		(28,951,792)	(27,372,939)
Other operating income	5	-	582,900
<b>Operating loss</b>	6	<b>(3,864,041)</b>	<b>(6,751,869)</b>
Interest payable and similar charges	10	(2,067,004)	(1,919,573)
<b>Loss before taxation</b>		<b>(5,931,045)</b>	<b>(8,671,442)</b>
Tax on loss	11	56,240	27,177
<b>Loss for the financial year</b>		<b>(5,874,805)</b>	<b>(8,644,265)</b>
Currency translation differences		22,236	58,762
<b>Other comprehensive income for the year</b>		<b>22,236</b>	<b>58,762</b>
<b>Total comprehensive loss for the year</b>		<b>(5,852,569)</b>	<b>(8,585,503)</b>
<b>Loss for the year attributable to:</b>			
Non-controlling interests		15,777	(62,321)
Owners of the parent Company		(5,890,582)	(8,581,944)
		<b>(5,874,805)</b>	<b>(8,644,265)</b>
<b>Total comprehensive loss for the year attributable to:</b>			
Non-controlling interest		12,231	(35,684)
Owners of the parent Company		(5,864,800)	(8,549,819)
		<b>(5,852,569)</b>	<b>(8,585,503)</b>

The notes on pages 18 to 37 form part of these financial statements.

# Victoria Beckham Holdings Limited

Registered number: 11043864

## Consolidated Statement of Financial Position As at 31 December 2021

	Note	2021 £	2021 £	2020 £	2020 £
<b>Fixed assets</b>					
Intangible assets	12		2,656,412		3,036,712
Tangible assets	13		2,137,208		2,590,445
			<u>4,793,620</u>		<u>5,627,157</u>
<b>Current assets</b>					
Stocks	15	3,134,421		2,308,138	
Debtors: amounts falling due after more than one year	16	585,000		585,000	
Debtors: amounts falling due within one year	16	9,084,770		11,335,491	
Cash at bank and in hand		3,881,228		2,173,309	
		<u>16,685,419</u>		<u>16,401,938</u>	
Creditors: amounts falling due within one year	17	(20,926,309)		(18,290,428)	
<b>Net current liabilities</b>			<u>(4,240,890)</u>		<u>(1,888,490)</u>
<b>Total assets less current liabilities</b>			<u>552,730</u>		<u>3,738,667</u>
Creditors: amounts falling due after more than one year	18		(31,922,790)		(29,274,918)
<b>Provisions for liabilities</b>					
Deferred Taxation	20	-		(56,240)	
Other provisions	21	(1,129,490)		(1,054,490)	
			<u>(1,129,490)</u>		<u>(1,110,730)</u>
<b>Net liabilities</b>			<u><u>(32,499,550)</u></u>		<u><u>(26,646,981)</u></u>
<b>Capital and reserves</b>					
Called up share capital	22		1,073,741		1,073,741
Share premium account	23		33,470,106		33,470,106
Foreign exchange reserve	23		(3,923)		(29,705)
Profit and loss account	23		(66,329,031)		(60,438,449)
<b>Equity attributable to owners of the parent Company</b>			<u>(31,789,107)</u>		<u>(25,924,307)</u>
Non-controlling interests			(710,443)		(722,674)
<b>Total equity</b>			<u><u>(32,499,550)</u></u>		<u><u>(26,646,981)</u></u>

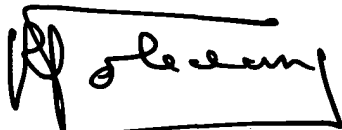
# Victoria Beckham Holdings Limited

Registered number: 11043864

## Consolidated Statement of Financial Position (continued) As at 31 December 2021

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The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



R. Teledano  
Director

Date: 17/11/2022

The notes on pages 18 to 37 form part of these financial statements.

# Victoria Beckham Holdings Limited

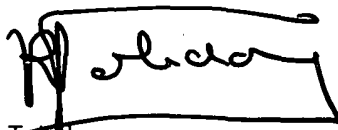
Registered number: 11043864

## Company Statement of Financial Position As at 31 December 2021

	Note	2021 £	2021 £	2020 £	2020 £
<b>Fixed assets</b>					
Investments	14		38,332,611		38,332,611
<b>Current assets</b>					
Debtors: amounts falling due within one year	16	28,134,027		25,486,155	
Creditors: amounts falling due within one year	17	(1)		(1)	
<b>Net current assets</b>			28,134,026		25,486,154
Creditors: amounts falling due after more than one year	18		(31,922,790)		(29,274,918)
<b>Net assets</b>			34,543,847		34,543,847
<b>Capital and reserves</b>					
Called up share capital	22		1,073,741		1,073,741
Share premium account	23		33,470,106		33,470,106
<b>Total equity</b>			34,543,847		34,543,847

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The result of the parent company for the year was £Nil (2020 - £Nil).

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
R. T. O'Leary  
Director

Date: 17/11/2022

The notes on pages 18 to 37 form part of these financial statements.

## Victoria Beckham Holdings Limited

### Consolidated Statement of Changes in Equity For the Year Ended 31 December 2021

	Called up share capital £	Share premium account £	Foreign exchange reserve £	Profit and loss account £	Equity attributable to owners of parent Company £	Non- controlling interests £	Total equity £
<b>At 1 January 2020</b>	1,071,797	33,472,050	(61,830)	(51,856,505)	(17,374,488)	(686,990)	(18,061,478)
Loss for the year	-	-	-	(8,581,944)	(8,581,944)	(62,321)	(8,644,265)
Foreign currency translation differences	-	-	32,125	-	32,125	26,637	58,762
Shares issued during the year	1,944	(1,944)	-	-	-	-	-
<b>At 1 January 2021</b>	1,073,741	33,470,106	(29,705)	(60,438,449)	(25,924,307)	(722,674)	(26,646,981)
Loss for the year	-	-	-	(5,890,582)	(5,890,582)	15,777	(5,874,805)
Foreign currency translation differences	-	-	25,782	-	25,782	(3,546)	22,236
<b>At 31 December 2021</b>	1,073,741	33,470,106	(3,923)	(66,329,031)	(31,789,107)	(710,443)	(32,499,550)

The notes on pages 18 to 37 form part of these financial statements.



# Victoria Beckham Holdings Limited

## Company Statement of Changes in Equity For the Year Ended 31 December 2021

	Called up share capital £	Share premium account £	Total equity £
<b>At 1 January 2020</b>	<b>1,071,797</b>	<b>33,472,050</b>	<b>34,543,847</b>
Result for the year	-	-	-
Shares issued during the year	1,944	(1,944)	-
<b>At 1 January 2021</b>	<b>1,073,741</b>	<b>33,470,106</b>	<b>34,543,847</b>
Result for the year	-	-	-
<b>At 31 December 2021</b>	<b>1,073,741</b>	<b>33,470,106</b>	<b>34,543,847</b>

The notes on pages 18 to 37 form part of these financial statements.

# Victoria Beckham Holdings Limited

## Consolidated Statement of Cash Flows For the Year Ended 31 December 2021

	2021 £	2020 £
<b>Cash flows from operating activities</b>		
Loss for the financial year	(5,874,805)	(8,644,265)
<b>Adjustments for:</b>		
Amortisation of intangible assets	866,309	769,299
Depreciation of tangible assets	995,905	811,485
Net interest expense	2,067,004	1,919,573
Taxation charge	(56,240)	(27,177)
(Increase)/decrease in stocks	(826,283)	1,233,581
Decrease in debtors	2,250,721	2,381,374
Increase/(decrease) in creditors	3,401,255	(1,721,465)
Foreign exchange	18,216	59,167
Provisions movement	75,000	950,000
<b>Net cash generated from/(used in) operating activities</b>	<b>2,917,082</b>	<b>(2,268,428)</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(441,542)	(430,867)
Purchase of tangible fixed assets	(583,115)	(567,649)
<b>Net cash used in investing activities</b>	<b>(1,024,657)</b>	<b>(998,516)</b>
<b>Cash flows from financing activities</b>		
Repayment of bank loans	-	(6,125,000)
Movement in other bank financing facilities	(765,374)	(1,409,978)
Interest paid	(19,132)	(194,748)
New other and convertible loans	600,000	9,224,532
<b>Net cash (used in)/from financing activities</b>	<b>(184,506)</b>	<b>1,494,806</b>

# Victoria Beckham Holdings Limited

## Consolidated Statement of Cash Flows (continued) For the Year Ended 31 December 2021

	2021 £	2020 £
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,707,919</b>	<b>(1,772,138)</b>
Cash and cash equivalents at beginning of year	2,173,309	3,945,447
<b>Cash and cash equivalents at the end of year</b>	<b>3,881,228</b>	<b>2,173,309</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	3,881,228	2,173,309
	<b>3,881,228</b>	<b>2,173,309</b>

The notes on pages 18 to 36 form part of these financial statements.

# Victoria Beckham Holdings Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

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### 1. General information

The principal activity of the company is that of a holding company, and the principal activity of the group is the operation of the "Victoria Beckham" fashion business and related "Victoria Beckham" brand activities.

The company is a private company limited by shares and is registered in England and Wales. The address of the registered office and principal place of business is 202 Hammersmith Road, London, W6 7DN.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The following principal accounting policies have been applied:

#### 2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Consolidated Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

#### 2.3 Going concern

The Company made a total comprehensive loss in the financial year of £5.9m (2020 - £8.6m) and has been reliant on continued financial support from its shareholders. The Company had net current liabilities of £4.2m (2020 - £1.9m) and net liabilities of £32.5m (2020 - £26.6m) at the year end.

In May 2021, the Company received a further £0.6m from the ultimate shareholders to help sustain the business operations amidst the challenging economic backdrop caused by the global COVID pandemic and also the continued implementation of the strategic plan for the business which aims to bring about cost reductions, a streamlining of operations and creating a model for the long term. The board and ultimate shareholders are committed to ensuring the Company has sufficient resources to deliver this strategy.

# Victoria Beckham Holdings Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

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### 2. Accounting policies (continued)

#### 2.3 Going concern (continued)

As part of the directors' assessment of going concern, management has prepared detailed forecast assessments considering the continuing economic impact of COVID-19, the Company's recent performance, and the requirements to implement the new strategic direction. The directors reviewed their forecasts with specific reference to the ability of the business to meet its liabilities as they fall due and have a reasonable expectation that the Company is able to manage its business risks successfully. The forecasts cover the period beyond the twelve months from the date of signing of these accounts and make allowance for any reasonably foreseeable impacts of the current economic environment.

Following a detailed consideration of these forecasts the directors have determined that further support will be required from its shareholders to further protect the Company from the impact of the economic uncertainty and also assist in the implementation of the change in strategy. However, there are no contractual agreements for this support. This requirement of further funding indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business. Despite having no formal confirmation of this continued support the directors have the reasonable expectation that any support will be provided from the shareholders and have accordingly prepared the financial statement on a going concern basis.

The financial statements do not include any adjustments that would result if the going concern basis of preparation were no longer appropriate.

#### 2.4 Foreign currency translation

##### Functional and presentation currency

The Company's functional and presentational currency is GBP.

##### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the consolidated statement of comprehensive income within 'other operating income'.

# Victoria Beckham Holdings Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

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### 2. Accounting policies (continued)

#### 2.4 Foreign currency translation (continued)

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

#### 2.5 Turnover

Turnover, which is stated excluding VAT and other sales related taxes, is the amount receivable for goods supplied (less returns, trade discounts and allowances), plus royalties and licence fees receivable.

Retail sales, returns and allowances are reflected at the dates of transactions with customers. Wholesale sales are recognised when the significant risks and rewards of ownership have transferred to the customer, with provisions made for expected returns and allowances. Provisions for returns on retail and wholesale sales are calculated based on historical returns levels. Royalties and licence fees receivable from licensees are recognised within turnover when the right to receive the consideration has been earned on the basis of the terms of the relevant royalty or licence agreement.

#### 2.6 Operating leases: the Group as lessee

All leases are treated as operating leases. Their annual rentals are charged to the Consolidated Statement of Comprehensive Income on a straight-line basis over the term of the lease.

#### 2.7 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

#### 2.8 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### 2.9 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

#### 2.10 Pensions

Contributions to the Group's defined contribution pension scheme are charged to the Consolidated Statement of Comprehensive Income in the year in which they become payable.

# Victoria Beckham Holdings Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

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### 2. Accounting policies (continued)

#### 2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### 2.12 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Website	-	3 years
Intellectual property	-	10 - 25 years

#### 2.13 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Consolidated Statement of Comprehensive Income during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

# Victoria Beckham Holdings Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

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### 2. Accounting policies (continued)

#### 2.13 Tangible fixed assets (continued)

Depreciation is provided on the following basis:

Short-term leasehold property	- 10 years
Fixtures and fittings	- 3 or 4 years, depending on the expected useful life of the asset
Computer equipment	- 3 years



# Victoria Beckham Holdings Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

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### 2. Accounting policies (continued)

#### 2.13 Tangible fixed assets (continued)

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

In determining whether there are indicators of impairment of the Group's tangible assets, factors taken into consideration include the economic viability and expected future financial performance of the asset.

#### 2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

#### 2.15 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Consolidated Statement of Comprehensive Income.

#### 2.16 Financial assets

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

#### 2.17 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

#### 2.18 Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

# Victoria Beckham Holdings Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

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### 2. Accounting policies (continued)

#### 2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Consolidated Statement of Financial Position.

#### 2.20 Convertible debt

The proceeds received on issue of the Group's convertible debt are allocated into their liability and equity components and presented separately in the Consolidated Statement of Financial Position.

The amount initially attributed to the debt component equals the discounted cash flows using a market rate of interest that would be payable on a similar debt instrument that did not include an option to convert.

The difference between the net proceeds of the convertible debt and the amount allocated to the debt component is credited direct to equity and is not subsequently remeasured. On conversion, the debt and equity elements are credited to share capital and share premium as appropriate.

Transaction costs that relate to the issue of the instrument are allocated to the liability and equity components of the instrument in proportion to the allocation of proceeds.

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

In applying the Group's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying value of assets and liabilities. The directors' judgement, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made and are based on historical experience and other factors that are considered to be applicable. Due to the inherent sensitivity involved in making judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Any revisions to accounting estimates are recognised prospectively.

In assessing whether there have been any indicators of impairment to assets, the directors consider both external and internal sources of information such as market conditions and experience of recoverability and establishes a provision for receivables that are estimated not to be recoverable.

#### *Recoverability of receivables*

The Group establishes a provision for receivables that are estimated not to be recoverable or recoupable. When assessing recoverability the directors consider factors such as the ageing of the receivables, past experience of recoverability, and the credit profile of the debtor. When assessing if licensee balances are recoupable the directors consider factors such as the current and likely future sales performance.

# Victoria Beckham Holdings Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

#### *Recoverability of the Company's investments*

Judgement is applied by management when determining whether there are indicators of impairment of the Company's investments. Factors taken into consideration in reaching such a decision include the financial position, economic viability and future financial performance of the entity to which the investment relates.

#### *Determining residual values and useful economic lives of property, plant and equipment*

The Group depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied by management when determining the residual values for tangible fixed assets. When determining the residual value, management aim to assess the amount that the Group would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life.

#### *Provisions against slow moving inventory*

The Group establishes a provision for slow moving inventory. When determining the provision, the directors consider factors such as the amount of the inventory holding and subsequent sales.

#### *Provisions*

Provision is made for dilapidations. These provisions require management's best estimate of the costs that will be incurred based contractual requirements.

### 4. Turnover

The whole of the turnover is attributable to the worldwide exploitation of the Victoria Beckham brand.

The directors do not consider any one part of the worldwide market to be significantly different from any other. Full segmental information has not been disclosed as permitted by Statutory Instrument 2008/410 as in the opinion of the directors such disclosure would be commercially sensitive.

### 5. Other operating income

	2021 £	2020 £
Government grants receivable	(631,679)	582,900
Commissions receivable	631,679	-

# Victoria Beckham Holdings Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 6. Operating loss

The operating loss is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	995,905	811,485
Amortisation of intangible assets	866,309	769,299
Exchange differences	95,819	149,119
Operating lease rentals	1,334,350	1,143,405
Defined contribution pension cost	163,806	149,089
	<u>          </u>	<u>          </u>

### 7. Auditor's remuneration

	2021 £	2020 £
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	5,000	4,700
	<u>          </u>	<u>          </u>

#### Fees payable to the Group's auditor in respect of:

The audit of its subsidiaries	56,500	56,300
Taxation compliance services	14,000	7,275
Other services relating to taxation	3,331	13,736
All other services	8,845	5,850
	<u>          </u>	<u>          </u>
	82,676	83,161
	<u>          </u>	<u>          </u>

### 8. Employees

The Company does not have any employees (2020 - none).

Staff costs, including directors' remuneration, were as follows:

	Group 2021 £	Group 2020 £
Wages and salaries	15,471,301	8,200,898
Social security costs	1,790,121	922,638
Cost of defined contribution scheme	327,612	149,089
	<u>          </u>	<u>          </u>
	17,589,034	9,272,625
	<u>          </u>	<u>          </u>

# Victoria Beckham Holdings Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 8. Employees (continued)

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
Employees	118	130

### 9. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	120,000	142,328

The highest paid director received remuneration of £NIL (2020 - £NIL).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2020 - £NIL).

### 10. Interest payable and similar charges

	2021 £	2020 £
Bank loan interest	19,134	194,749
Other loan interest	2,047,870	1,724,824
	2,067,004	1,919,573

# Victoria Beckham Holdings Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 11. Taxation

	2021 £	2020 £
<b>Corporation tax</b>		
Current tax on profits for the year	-	-
<b>Total current tax</b>	-	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	(38,564)	(36,795)
Adjustments in respect of previous periods	(27,178)	(293)
Change in tax rate	9,502	9,911
<b>Total deferred tax</b>	(56,240)	(27,177)
<b>Taxation on loss on ordinary activities</b>	(56,240)	(27,177)
<b>Factors affecting tax credit for the year</b>		

The tax assessed for the year is higher than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Loss on ordinary activities before tax	(5,931,045)	(8,671,442)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(1,126,899)	(1,647,574)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	443,459	126,425
Adjustments to tax charge in respect of prior periods	(27,178)	(293)
Losses carried forward	-	1,494,265
Deferred tax not recognised	654,378	-
<b>Total tax credit for the year</b>	(56,240)	(27,177)

#### Factors that may affect future tax charges

The Group has losses available for use in future periods amounting to £22,187,389 (2020 - £27,946,401).

# Victoria Beckham Holdings Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 12. Intangible assets

#### Group

	Intellectual property £	Website £	Total £
<b>Cost</b>			
At 1 January 2021	2,382,130	3,124,730	5,506,860
Additions	216,473	225,069	441,542
Disposals	-	(45,627)	(45,627)
Transfer from tangible assets	400,354	-	400,354
At 31 December 2021	<u>2,998,957</u>	<u>3,304,172</u>	<u>6,303,129</u>
<b>Amortisation</b>			
At 1 January 2021	321,660	2,148,488	2,470,148
Charge for the year	161,518	704,791	866,309
On disposals	-	(45,627)	(45,627)
Transfer from tangible assets	338,975	16,912	355,887
At 31 December 2021	<u>822,153</u>	<u>2,824,564</u>	<u>3,646,717</u>
<b>Net book value</b>			
At 31 December 2021	<u>2,176,804</u>	<u>479,608</u>	<u>2,656,412</u>
At 31 December 2020	<u>2,060,470</u>	<u>976,242</u>	<u>3,036,712</u>

# Victoria Beckham Holdings Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 13. Tangible fixed assets

#### Group

	Short-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 January 2021	4,560,667	2,070,311	765,957	7,396,935
Additions	-	566,635	16,480	583,115
Transfer to intangible assets	-	(400,354)	-	(400,354)
Exchange adjustments	611	5,055	-	5,666
At 31 December 2021	4,561,278	2,241,647	782,437	7,585,362
<b>Depreciation</b>				
At 1 January 2021	2,555,037	1,587,625	663,828	4,806,490
Charge for the year	419,325	536,587	39,993	995,905
Transfer to intangible assets	-	(355,887)	-	(355,887)
Exchange adjustments	611	1,035	-	1,646
At 31 December 2021	2,974,973	1,769,360	703,821	5,448,154
<b>Net book value</b>				
At 31 December 2021	1,586,305	472,287	78,616	2,137,208
At 31 December 2020	2,005,630	482,686	102,129	2,590,445



# Victoria Beckham Holdings Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 14. Fixed asset investments

#### Company

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 January 2021	38,332,611
At 31 December 2021	<u>38,332,611</u>

#### Direct subsidiary undertakings

The following were direct subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Victoria Beckham Limited *	Victoria Beckham fashion and brand business	Ordinary	100%
Victoria Beckham Beauty UK Limited *	Holding company	Ordinary	100%

#### Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Victoria Beckham Inc. **	Fashion e-commerce	Ordinary	100%
Beckham Retail Limited *	Dormant	Ordinary	100%
VB Beauty (US) LLC ***	Beauty e-commerce	Ordinary	85%

The registered address of the subsidiary undertakings are:

\* 202 Hammersmith Road, London, W6 7DN

\*\* 2711 Canterville Road, Suite 400, Wilmington, DE 19808, County of New Castle, USA

\*\*\* 251 Little Falls Drive, Wilmington, DE 19808, County of New Castle, USA

# Victoria Beckham Holdings Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 15. Stocks

	Group 2021 £	Group 2020 £
Work in progress	116,927	116,927
Finished goods and goods for resale	3,017,494	2,191,211
	<u>3,134,421</u>	<u>2,308,138</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

### 16. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
<b>Due after more than one year</b>				
Other debtors	<u>585,000</u>	<u>585,000</u>	<u>-</u>	<u>-</u>
<b>Due within one year</b>				
Trade debtors	5,304,195	7,682,841	-	-
Amounts owed by group undertakings	-	-	28,134,027	25,486,155
Amounts owed by related undertakings	453,996	428,362	-	-
Other debtors	2,165,597	1,682,142	-	-
Prepayments and accrued income	1,160,982	1,542,146	-	-
	<u>9,084,770</u>	<u>11,335,491</u>	<u>28,134,027</u>	<u>25,486,155</u>

The debtors due after more than one year relate to rent deposits.

# Victoria Beckham Holdings Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 17. Creditors: amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Convertible loans	7,623,113	7,623,113	-	-
Bank loans	32,211	797,585	-	-
Trade creditors	3,503,257	3,795,477	-	-
Amounts owed to group undertakings	-	-	1	1
Amounts owed to associates	92,124	92,124	-	-
Other taxation and social security	742,950	456,922	-	-
Other creditors	35,959	18,050	-	-
Accruals and deferred income	8,896,695	5,507,157	-	-
	<b>20,926,309</b>	<b>18,290,428</b>	<b>1</b>	<b>1</b>

The bank loans are secured by fixed and floating charges over all the assets of the Group, and a cross guarantee and debenture as detailed in note 25.

Further details of the convertible loans are provided in note 19.

### 18. Creditors: amounts falling due after more than one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Convertible loans	16,093,301	7,818,682	16,093,301	7,818,682
Other loans	15,829,489	21,456,236	15,829,489	21,456,236
	<b>31,922,790</b>	<b>29,274,918</b>	<b>31,922,790</b>	<b>29,274,918</b>

Further information in respect of these loans are included in note 19.

# Victoria Beckham Holdings Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 19. Loans

Analysis of the maturity of loans is given below:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
<b>Amounts falling due within one year</b>				
Bank loans	32,211	797,585	-	-
Convertible loans	7,623,113	7,623,113	-	-
	<u>7,655,324</u>	<u>8,420,698</u>	<u>-</u>	<u>-</u>
<b>Amounts falling due 2-5 years</b>				
Other loans	15,829,489	21,456,236	15,829,489	21,456,236
Convertible loans	16,093,301	7,818,682	16,093,301	7,818,682
	<u>31,922,790</u>	<u>29,274,918</u>	<u>31,922,790</u>	<u>29,274,918</u>
	<u><u>39,578,114</u></u>	<u><u>37,695,616</u></u>	<u><u>31,922,790</u></u>	<u><u>29,274,918</u></u>

Details of the security in respect of the bank loans is provided in note 17.

The earliest date of repayment of the other loans is 1 January 2024. These loans attract interest at 7.5% on the principal balance.

The convertible loan due in within one year does not attract interest and became capable of being converted on 1 September 2019. The terms of the conversion and a wider equity raise are under discussion which would impact the number of shares to be issued. This loan relates to Victoria Beckham Beauty UK Limited.

The convertible loans due in 2-5 years attract interest at 9% and cannot be converted until 1 January 2024. The conversion relates to the parent company's Preference shares. Some of the other loans have been reclassified to convertible loans in the year.

### 20. Deferred taxation

#### Group

	2021 £	2020 £
At beginning of year	56,240	83,417
Credited to profit or loss	(56,240)	(27,177)
<b>At end of year</b>	<u><u>-</u></u>	<u><u>56,240</u></u>

# Victoria Beckham Holdings Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 20. Deferred taxation (continued)

The deferred taxation balance is made up as follows:

	Group 2021 £	Group 2020 £
Accelerated capital allowances	-	59,373
Short term timing differences	-	(3,133)
	<u>-</u>	<u>56,240</u>

### 21. Provisions

#### Group

	Dilapidation provision £
At 1 January 2021	1,054,490
Charged to profit or loss	75,000
<b>At 31 December 2021</b>	<b><u>1,129,490</u></b>

A dilapidations provision has been recognised in respect of the estimated cost of returning the Group's retail store and head office to their original state at the end of the lease term.

### 22. Share capital

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
51,823,482 (2020 - 51,823,500) A1 Ordinary shares of £0.01 each	518,235	518,235
25,333,066 (2020 - 25,333,066) A2 Ordinary shares of £0.01 each	253,331	253,331
200 (2020 - 200) B Ordinary shares of £1.00 each	200	200
2,000 (2020 - 2,000) C Ordinary shares of £0.01 each	20	20
1,200 (2020 - 1,200) D Ordinary shares of £0.01 each	12	12
30,194,345 (2020 - 30,194,345) Preference shares of £0.01 each	301,943	301,943
	<u>1,073,741</u>	<u>1,073,741</u>

# Victoria Beckham Holdings Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 22. Share capital (continued)

The A Ordinary shares, A1 Ordinary shares, A2 Ordinary shares and Preference shares have attached to them full voting and dividend rights and certain capital distribution rights. They do not confer rights of redemption.

The B, C and D Ordinary shares have attached to them certain distribution rights. They do not confer any voting rights, rights to dividends or income or of redemption.

### 23. Reserves

#### Share premium account

Share premium represents amounts subscribed for share capital in excess of nominal value less related costs of shares issued.

#### Foreign exchange reserve

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transaction took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

#### Profit and loss account

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

### 24. Analysis of net debt

	At 1 January 2021 £	Cash flows £	Reclassifica- tions £	Other non- cash changes £	At 31 December 2021 £
Cash at bank and in hand	2,173,309	1,707,919	-	-	3,881,228
Bank loans	(797,585)	765,374	-	-	(32,211)
Other loans	(21,456,236)	-	7,055,636	(1,428,889)	(15,829,489)
Convertible loans	(15,441,795)	(600,000)	(7,055,636)	(618,983)	(23,716,414)
	<u>(35,522,307)</u>	<u>1,873,293</u>	<u>-</u>	<u>(2,047,872)</u>	<u>(35,696,886)</u>

The other non-cash changes relate to accrued interest on the other loans and convertible loans.

# Victoria Beckham Holdings Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 25. Contingent liabilities

Victoria Beckham Limited has given a debenture and charges to its bankers to secure its own banking arrangements. It has also entered into a cross guarantee dated 9 December 2014, along with related companies Beckham Brand Holdings Limited and DB Ventures Limited. At the balance sheet date, the indebtedness under this arrangement amounted to £32,211 (2020 - £797,585).

### 26. Pension commitments

The total pension costs for the Group was £163,806 (2020 - £149,089). Accrued pension costs at 31 December 2021 amounted to £21,628 (2020 - £28,450).

### 27. Commitments under operating leases

At 31 December 2021 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 £	Group 2020 £
Not later than 1 year	1,390,100	1,430,717
Later than 1 year and not later than 5 years	3,762,001	5,253,643
Later than 5 years	619,025	619,025
	<u>5,771,126</u>	<u>7,303,385</u>

### 28. Related party transactions

The company has taken advantage of the exemptions conferred by FRS 102 Section 33 Paragraph 33.1A not to disclose transactions with its wholly owned subsidiaries.

During the year the Group was advanced amounts totalling £600,000 (2020 - £9,224,532) by certain related parties in the form of other loans and convertible loans. These related parties are related by virtue of their interest in the share capital of the Group. Interest of £2,047,870 (2020 - £1,724,824) was charged on these loans in the year. At the year end the amounts owed to these related parties in respect of these balances totalled £39,545,903 (2020 - £36,898,031).

At the year end a further £92,124 (2020 - £92,124) was owed to related parties and £454,706 (2020 - £437,006) was owed by related parties. These related parties are related due to being under common control or through their interest in the Group's share capital.

### 29. Controlling party

At the balance sheet date the controlling parties are Victoria Beckham, Beckham Brand Holdings Limited, XIX Management UK Limited and London Investment S.A.R.L with no one party having a controlling interest.