Company registration number: 09096625

Home Outlet Direct Limited

Unaudited filleted financial statements

28 February 2023

Home Outlet Direct Limited
Statement of financial position
28 February 2023

	Note	2023		2022	
		£	£	£	£
Fixed assets					
Intangible assets	5	90,000		-	
Tangible assets		68,593		38,170	
			158,593		38,170
Current assets					
Stocks		1,260,134		1,064,043	
Debtors	7	285,441		338,894	
Cash at bank and in hand		883,323		552,052	
		2,428,898		1,954,989	
Creditors: amounts falling due within one year	8	(1,396,049)		(841,911)	
Net current assets			1,032,849		1,113,078
Total assets less current liabilities			1,191,442		1,151,248
Creditors: amounts falling due after more than one year	9		(98,485)		(143,939)
Provisions for liabilities			(13,033)		(7,252)
Net assets			1,079,924		1,000,057
Capital and reserves					
Called up share capital			200,100		200,100
Profit and loss account			879,824		799,957
Shareholder funds			1,079,924		1,000,057

For the year ending 28 February 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.
Directors responsibilities:
- The member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

These financial statements were approved by the board of directors and authorised for issue on 23 June 2023 , and are signed on behalf of the board by:

Mr M J Horton

Director

Company registration number: 09096625

Home Outlet Direct Limited

Notes to the financial statements

Year ended 28 February 2023

1. General information

The company is a private company limited by shares, registered in England. The address of the registered office is Crossways House, Wellingborough Road, Rushden, Northants, NN10 6AY.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102, Section 1A, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The Directors believe that the company will have adequate resources to meet its liabilities as they fall due and so to operate as a going concern for a period of at least twelve months from the date of these financial statements. The Directors therefore consider it appropriate to continue to adopt the going concern basis in the preparation of these accounts.

Turnover

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business. Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	-	10 % straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in capital and reserves, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Short leasehold property	-	15 % straight line
Fittings fixtures and equipment	-	15 % reducing balance
Motor vehicles	-	25 % reducing balance
Computer equipment	-	33 % straight line

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stocks to their present location and condition.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received. Government grants are recognised using the accrual model and the performance model. Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable. Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset. Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 24 (2022: 20).

5. Intangible assets

	Goodwill	Total
	£	£
Cost		
At 1 March 2022	-	-
Additions	100,000	100,000
At 28 February 2023	100,000	100,000
Amortisation		
At 1 March 2022	-	-
Charge for the year	10,000	10,000
At 28 February 2023	10,000	10,000
Carrying amount		
At 28 February 2023	90,000	90,000
At 28 February 2022	-	-

6. Tangible assets

	Short leasehold property	Fixtures, fittings and equipment	Motor vehicles	Computer equipment	Total
	£	£	£	£	£
Cost					
At 1 March 2022	10,770	30,545	27,790	7,968	77,073
Additions	-	24,051	17,719	6,347	48,117
At 28 February 2023	10,770	54,596	45,509	14,315	125,190
Depreciation					
At 1 March 2022	2,989	13,650	14,970	7,296	38,905
Charge for the year	1,167	6,142	7,635	2,748	17,692
At 28 February 2023	4,156	19,792	22,605	10,044	56,597
Carrying amount					
At 28 February 2023	6,614	34,804	22,904	4,271	68,593
At 28 February 2022	7,781	16,895	12,820	672	38,168

Assets held under hire purchase agreements (or similar) are security for the debts.

7. Debtors

	2023	2022
	£	£
Trade debtors	177,046	285,250
Amounts owed by group undertakings and undertakings in which the company has a participating interest	27,150	9
Other debtors	81,245	53,635
	285,441	338,894

8. Creditors: amounts falling due within one year

	2023	2022
	£	£
Bank loans and overdrafts	45,455	45,455
Trade creditors	265,680	191,661
Amounts owed to group undertakings and undertakings in which the company has a participating interest	760,562	380,813
Corporation tax	155,080	202,952
Social security and other taxes	79,863	3,830
Other creditors	89,409	17,200
	1,396,049	841,911

9. Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Bank loans and overdrafts	98,485	143,939

The company obtained a 'Coronavirus Business Interruption loan' from its bankers during a previous year. The interest on this loanis at 2.67% pa plus base rate interest on the reducing balance. The loan is unsecured and over a term of six years.

10. Related party transactions

The company has taken advantage of the provisions of FRS102 not to disclose transactions between group companies.

11. Controlling party

The company is a wholly owned subsidiary of Home Outlet Group Limited (of the same registered office) which is controlled by Mr M J Horton .