COMPANY NUMBER: 00149328

F HINDS LIMITED
DIRECTORS' REPORT, STRATEGIC REPORT AND FINANCIAL STATEMENTS
28 MARCH 2021

F HINDS LIMITED
DIRECTORS' REPORT
YEAR ENDED 28 MARCH 2021

The directors present their report and the financial statements for the year ended 28 March 2021.

PRINCIPAL ACTIVITIES

The principal activities of the Company are the retailing and wholesaling of jewellery, watches and associated products.

RESULTS AND DIVIDENDS

The results for the year are summarised in the profit and loss account. No dividends were paid during the year in respect of the Company's ordinary shares. No dividends have been proposed in respect of those shares subsequent to the year end.

EMPLOYEES

Throughout the Company there is consultation between management and other employees concerning both matters of general interest and information about the performance of the Company. Employees are systematically provided with information on matters of concern to them through a weekly bulletin. When employment matters of significant interest require consultation, they are invited and encouraged to participate. Directors prefer to engage with employees face to face but do use visual and other electronic media where it is expedient.

It is F Hinds' policy to provide equal opportunities for all employees and, wherever possible, to promote existing members of staff. The Company also endeavours to provide employment for disabled persons and suitable training as appropriate. F Hinds promotes an equal pay policy whereby everyone is paid the same for equivalent work.

At the financial year end the Company employed over 900 full and part-time staff. The specialist nature of the products sold makes it essential that staff are committed to delivering an excellent service to customers. To achieve this the Board aims to provide an inclusive working environment which attracts and retains skilled employees and encourages them to be involved, thereby increasing their motivation and capability which results in improved performance and engagement.

The Company continually develops and updates its in-house training programme to ensure that all staff can acquire the skills required to provide excellent service. Courses are 'hands on' and stimulating, aim to improve product knowledge, selling and customer service skills and are a vital element in achieving the aims outlined above.

The Directors wish to thank all employees for their continuing and valued contribution to the business and results for the year, especially in light of the Covid-19 pandemic. Employees promptly offered their support to the Company's request for employment contractual changes to allow furloughing to proceed in accordance with Government guidelines. F Hinds is fortunate to have such a dedicated and flexible team.

The Directors would also like to thank B M Colucci for his service over more than 40 years. Ben started as a part-time employee and was promoted through store and head office management to his appointment to the Board in April 2002, a career path that exemplifies the Company's ethos of promoting from within its dedicated team.

ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS

The directors understand the requirement to foster good business relationships with suppliers, customers and others. By regularly receiving and acting upon their feedback it continues to review, offer and develop products and services at competitive prices that allow it to remain a successful family business.

DIRECTORS' STATEMENT OF COMPLIANCE WITH DUTY TO PROMOTE THE SUCCESS OF THE COMPANY

Section 172 ("S172") of the Companies Act 2006 requires a director of a company to act in a way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. In doing this, S172 requires a director to have regard, amongst other matters, to: the likely consequence of any decision in the long-term; the interests of the company's employees; the need to foster the company's business relationships with suppliers, clients and others; the impact of the company's operations on the community and the environment; the desirability of the company maintaining a reputation for high standards of business conduct; and the need to act fairly with members of the company.

The Directors give careful consideration to the factors set out above in discharging their duties under S172. The stakeholders we consider in this regard are the people who work for us, our customers and those in the supply change with whom we engage, our owners, regulatory bodies and that those that live in the societies within which we operate. The Directors recognise that building strong relationships with our stakeholders will help us to deliver our strategy in line with our long-term values and operate the business in a sustainable way. We are committed to doing business responsibly and thinking for the long-term.

The Directors regularly receive reports from management on issues concerning customers, the environment, suppliers, employees and other stakeholders which they take into account in their discussions and their decision-making process under S172.

CHARITABLE ACTIVITY

The Company helps charities and other worthwhile causes where its strength as a national retailer enables it to make a difference.

A primary way it is able to do this is by developing and then selling an exclusive product on behalf of a charity. Unlike most charity branded products F Hinds does not simply pay a commission, preferring to pass all profits to the good cause.

The Company also makes numerous small donations at store level in support of local good causes, preferably where members of staff are directly involved. This is because the Company considers itself to be a local retailer in each of the locations where it has a store and also feels that small local organisations often struggle to raise money due to their lower profile.

Funds raised by recycling customer watch batteries and the carrier bag levies in England & Wales are included in these funds and have helped to increase the number of these small individual donations made by the Company.

DIRECTORS

The directors who served during the year were:

D R H Hinds
N A Hinds
A F Hinds
J D Hinds
P H Hinds
S B Cornwall
B M Colucci (retired 30 November 2020)
M J Preston

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report, the Strategic Report 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless satisfied that they give a true and fair view of the state of affairs of the Company and of its profit or loss for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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.

AUDITORS

So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware and they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Approved by the Board on 27th July 2021 and signed on its behalf by:

S B CORNWALL

Company Secretary

The directors present their strategic report for the year ended 28 March 2021.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

Overview, Position in market

F Hinds Limited is a family owned and managed company and it is the intention of the Hinds family for it to remain so. The Company is registered for tax in the UK and is proud to pay its fair share of business taxes to the UK tax authorities. This year, despite the Covid-19 pandemic, the Company paid over £7m in Corporation Tax, Value Added Tax, National Insurance, Business Rates, Insurance Premium Tax and Duty. This equates to over 18% of annual turnover. In addition, the Company also paid almost £2m on behalf of its employees in Income Tax and National Insurance.

The Company trades as 'F Hinds' and 'Chapelle' across England & Wales and online, selling jewellery, watches, clocks and giftware in the middle market sector. The two brands do not compete directly with each other - F Hinds stores are situated in town and regional shopping centres as well as in traditional high street locations, whereas Chapelle stores are located in retail outlet centres.

The Directors are happy with the current market positioning of F Hinds and Chapelle. They regularly monitor performance of individual stores and product categories to adapt to changing sales patterns and customer expectations. Many customers are attracted by third party labels and, while the Company has an extensive offer of these, it also finds that F Hinds branded goods perform well due to consumer trust in the brand and their value for money.

Performance

Like many non-essential retailers, the Company was instructed to close temporarily in all physical store locations between certain dates during the year by the Government to help reduce the spread of Covid-19. As a result, turnover this year is substantially reduced. With the successful reopening of physical retail on 12 April 2021, the Company hopes that turnover in the next financial year will return to previous levels, in the absence of further enforced closures.

While store takings have been hit by the pandemic, website sales have seen strong growth which has offset a small proportion of turnover lost.

The Company has benefitted from wide ranging Government support this year, with a combination of the Job Retention Scheme, Business Rates reductions and Local Authority grants. While a number of borrowing schemes were also offered, the Company did not have to undertake any borrowing.

Margins achieved by the Company have remained stable during the year, but the Board continues to ensure that it offers good quality products at competitive prices and hedges its exposure to foreign currency volatility when feasible.

During the year F Hinds opened a new store in Luton and relocated the Shrewsbury branch to a more prominent location. The Company did not close any stores permanently.

The market and external matters

The UK retail jewellery market, and retail as a whole, has suffered a turbulent year as a result of the Covid-19 pandemic. Many prominent names on the high street have found themselves in financial difficulty and have restructured, entered administration or liquidation. The Company is glad and fortunate that a combination of its strong position going into the pandemic and generous Government support meant it has been able to weather the storm.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS (CONTINUED)

In the UK, traditional bricks & mortar retailers find themselves in a fragile position. The long-term shift towards online retail has been accelerated by the pandemic and Government policy, both national and local, places physical retail at a disadvantage. Shops can continue to be a vibrant sector of the economy and a vital part of our social fabric, but without action, further decline post pandemic seems inevitable.

Firstly, Business Rates disproportionally target physical retailers and are detrimental to town centres. The Company has been vocal about the need for reform and strongly support's the British Retail Consortium's (BRC) efforts in this area. F Hinds hopes that the Treasury's final report of the Fundamental Review will lead to a system fit for the 21st century. The suspension of Rates for 2020-21, due to the pandemic, has been very welcome and the Company is pleased that support will continue at a reasonable level for this financial year.

Secondly, despite the welcome support provided to business during the pandemic, Central Government continues to place extra burdens on business. Schemes such as the Apprenticeship Levy are poorly designed and have forced the Company to replace its bespoke training programme with a more generic scheme which offers poor value for money. The Company believes it is better placed to decide where to direct its training resources than ministers or civil servants.

Other measures, such as above-inflation Living Wage increases and higher Auto Enrolment pension costs are certainly laudable and in many ways the Company welcomes them, but Government should not forget that these policies have costs which have to be borne by business.

Thirdly, local government has a key role to play. Proactive councils play a key role in maintaining vibrant high streets and town centres. The Company welcomes schemes to rework shopping areas, producing smaller, coherent spaces for retail which should be viable into the future. Notable initiatives are found in Shrewsbury and Stockton on Tees. However, some councils add to the challenges for all town centre businesses, as well as their constituents, by imposing high car parking charges and failing to address the decline and fragmentation of their high streets.

Turning to the role of property owners, the moratorium on landlords taking legal action against retailers for non-payment of rent to March 2022 has helped many through challenging times. F Hinds is glad and appreciative that it has been able to reach a fair and equitable agreement with the landlords of the majority of its properties as the retail sector suffered through the pandemic. This has protected the position of the Company and thereby that of the landlords too. The Company hopes that the Government ensures that all parties in the wider industry take a responsible approach at the end of the moratorium to any outstanding negotiations over unpaid rent relating to periods when retailers were forced to close. The Company is more likely to enter new leases with those landlords that have engaged positively.

There is evidence that more landlords are being pragmatic when constructing potential lease offers. Each of these is considered by the Company on its individual merits. It is anticipated that an increasing number will favour tenants with a strong covenant that are able to pay their rent through all parts of the economic cycle. F Hinds remains a desirable occupier for any landlord seeking a longer term and stable tenant.

With regard to Brexit, the process has not had a significant effect upon the Company, although it is anticipated that it could affect price stability as many products have exposure to overseas currency in their supply chain. Brexit has also complicated dealings with a small number of EU based suppliers that supply products made outside the EU.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS (CONTINUED)

The future

The Directors believe that the Company will continue to make steady progress through the coming years, opening shops when suitable and funding these from internal resources rather than external borrowings. It will continue its strategy of opening shops in locations where it believes an opportunity to generate profit exists.

The Company does not have a specific expansion plan, nor does it target specific towns or cities in which to open a store. Instead it considers each opportunity on its own merits, whether an individual lease, freehold purchase or company acquisition and whichever fascia it relates to.

Emphasis continues to be placed on refurbishing stores to make them brighter and more appealing. The Company aims to refit all stores on a regular basis and believes that its customers, whether in regional shopping centres or on small high streets, should benefit from shopping in an attractive environment.

The Company has continued to take advantage of technological developments to reduce its carbon footprint and future expenditure on power. An increasing proportion of F Hinds' vehicle fleet is hybrid or electric and the company has invested in charging points at its Head Office for staff and visitors. In addition to energy generated by solar panels, the Head Office is to be powered by zero carbon electricity from later this year and the Company will examine other energy contracts as they come up for renewal. The Company more than satisfies its obligations under the EU Waste Electrical and Electronic Equipment (WEEE) Directive and is committed to recycling or reusing items such as packaging or batteries.

The Company places an emphasis on continually developing its information technology and communications systems. It continues to invest in providing a seamless shopping experience in-store and online. Alongside wider society, F Hinds faces the threat of malware and cyber-attack. Robust security and backup systems have so far prevented such potential threats from becoming a problem and the Company invests in maintaining its defences. It has systems that enable branches to operate without central support for a substantial period and to operate without any IT systems in the short term.

The Board is aware of the need to promote the Company across all channels through which it trades and has allocated increasing resources to improving, updating and promoting the F Hinds and Chapelle brands and websites. The Company and customers continue to benefit from the tight integration of the online shopping experience and in-store systems. While the Board does not expect online to replace all physical locations, it does appreciate the advantage that a 'bricks & clicks' strategy brings to retailers in a competitive marketplace.

Corporate Responsibility

F Hinds strives to provide safe and healthy working conditions for all its staff and to provide a stimulating and enjoyable working environment with prospects for personal development and promotion. The Company complies with its obligations under the Modern Slavery Act 2015 and the annual statement is available in the Ethical Trading section of the website www.fhinds.co.uk.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS (CONTINUED)

Recent issues regarding the Covid-19 pandemic forced the Company to close all of its stores for long periods during 2020 and 2021. Upon re-opening, the safety of employees and customers has been paramount. Details of the steps taken to minimise the spread of infection are detailed on the website. This includes risk assessments, training, lateral flow testing, social distancing, cleaning and personal protection equipment. Guidance from the Government was strictly followed and co-operation with the British Retail Consortium ensured the Company reopened all of its stores safely when allowed.

As a family company, F Hinds is acutely aware of its responsibility to conduct all aspects of its business in an ethical and socially responsible manner and it plays an active role in helping to ensure that the jewellery trade is a leader in this area. To this end, and to provide customers with confidence that its raw materials are ethically sourced, the Company participates in the Kimberley Process designed to exclude "conflict diamonds" from the international gemstone trade and supports initiatives to further strengthen this system.

F Hinds also works with suppliers and others to continue the effort to ensure that precious metals are mined and refined with regard to the wellbeing of the workforce and the surrounding environment. The Company supports the "No Dirty Gold" campaign's "Golden Rules".

F Hinds Limited was one of the first companies in the world to be independently audited and certificated by the Responsible Jewellery Council (RJC) which confirmed that it had established a robust framework to demonstrate corporate social responsibility across its operations. The Company was successfully audited and recertificated during the year.

The Company was the first in the UK to support the Diamond Development Initiative (DDI). This aims to bring benefits and development to the communities in the developing world where diamonds are mined, which matches the Company's beliefs.

In 2018, F Hinds became the first Authorised Diamond Dealer (ADD) in the UK and one of the first worldwide. This accreditation was from the World Diamond Mark (WDM), a not-for-profit international body created by the World Federation of Diamond Bourses to increase consumer trust in natural diamonds, now superseded by the Natural Diamond Council (NDC). The Company believes that it is vital for consumer confidence that synthetic diamonds are always disclosed and supports industry initiatives for generic marketing programmes to increase sales of diamonds and diamond jewellery.

F Hinds is also a long-standing member of the National Association of Jewellers (NAJ), the UK industry's trade association, which has a Code of Conduct for members to ensure consumer confidence and in 2020 it became the first company licenced to have the "Created in the UK" mark applied to its products manufactured in the UK.

FINANCIAL REVIEW

The Company continued to operate tight cost controls and maintain gross profit margins. The Board resolved to operate within the cash-flow budgets prepared and updated throughout the year during which it did not require bank overdraft facilities. Over the year dramatic changes occurred that meant sales and thus buying varied to meet demand. Further forecasting was drafted to accommodate the changed retail landscape.

Turnover this year was based on a 52-week trading period to 28 March 2021. It decreased significantly during the period from £66.8 million to £37.0 million because of enforced store closures caused by the Covid-19 pandemic.

FINANCIAL REVIEW (CONTINUED)

Stock holdings remained stable over the course of the year as Buyers adapted to changing sales patterns caused by the pandemic. However, they continued to take advantage of comprehensive management information to control stock holdings more effectively and they hedged currency exposure to the US dollar.

Trade, when stores were open, was variable with shopping patterns reflecting customer perceptions of safety which tended to favour outdoor stores to indoor shopping centres. Buyers bought fast selling lines in volume at favourable prices where they felt opportunities had arisen. Margins remained stable.

The Company has increased its investment in its branch network to keep displays fresh and inviting for customers and has continued to develop a modern shopping environment. The objective is to modernise displays to attract a broader customer base whilst continuing to appeal to existing customers. This year less was spent as access to stores was restricted.

Debtors increased substantially primarily due to intercompany balances between F Hinds Ltd and its parent Hinds Ltd changing but also as a result of some grant income and furlough receipts being outstanding at the year end.

Creditors reduced as the Company decided to repay VAT deferred from March 2020. Although the Government had allowed this creditor of over £2.4m to be repaid in instalments over the course of 2021, it was agreed to repay it in full early due to the Company's strong financial position which arose from long term prudent financial management particularly throughout the pandemic. The Company once again decided to pay suppliers early, reducing trade creditors, in order to support its supply chain. Unresolved negotiations at 28th March 2021 with landlords regarding rent payable whilst the Company was forced to close stores increased accruals and deferred income.

Cash continues to be paid to the legacy F Hinds Pension Fund to fund this defined benefit pension scheme. This pension fund was closed to new employees in 2001 and was closed to future accrual on 31 March 2021. Whilst there is a deficit in the pension scheme from a funding perspective, the accounting valuation for FRS102 purposes can vary. Under FRS 102 this defined benefit pension fund is reported as having a surplus (which has been recognised) at 28 March 2021 of £607,000 (2020: deficit of £5,799,000) F Hinds Ltd paid deficit funding contributions to the Fund of £365,000 (2020: £365,000) required by The Pensions Regulator under a Recovery Plan and a further £50,000 as a special contribution, hence staff costs appear higher and profits appear lower than the true underlying position

The Trustees of the Fund follow a long-term investment strategy which is sensitive to short term changes in the discount rate used to measure the liabilities of the Fund. This long-term strategy has been discussed with the Company and it supports the Trustees as their strategy should provide more growth in Fund assets and reduce the deficit when discount rates inevitably increase.

The F Hinds Pension Fund had an actuarial valuation at 31 March 2018 which determined future levels of normal and deficit removal contributions. This triennial valuation (using different valuation methodology from FRS102) indicated that the Fund had a deficit of £1,424,000 (2015: £4,564,000). The reduction of the deficit allowed the Company to submit a Recovery Plan to The Pensions Regulator which lowered the annual deficit funding contributions to £365,000 per annum for the year ended 28 March 2021 and the following two years. Annual fluctuations in underlying assumptions and performance has led to a small surplus in the FRS102 valuation of the F Hinds Pension Fund, however the Company is not expecting a surplus on the 31 March 2021 actuarial valuation.

FINANCIAL REVIEW (CONTINUED)

Other Operating Income significantly increased due to government support in the form of the Coronavirus Job Retention Scheme and grants that were available to retailers that experienced significant reductions in turnover. By June 2021 the total number of employees working in the business had returned to the level that had been planned before the pandemic.

Other external charges reduced as business rates were suspended for the year and a significant number of landlords were pragmatic in their rent demands.

The Board is aware of the inherent risks and uncertainties in the management of the business and the influences which might have a negative impact on the Company's performance. These include:

- A widespread third wave of the Coronavirus infection, or new mutations arising that are immune to current vaccines.
- A reversal in the recovery of the national economy resulting from the global financial situation, from Brexit or from the slow removal of the Government's austerity measures.
- Global protectionist trading policies.
- Excessive volatility in the price of precious metals.
- Price or other competition from jewellers specifically and other non-food retailers in general.
- The risk of synthetic diamonds undermining the value of natural diamonds
- The lag in the reduction of excessive business rates as rents fall in many locations.

The Board regularly reviews the above risks and threats to the profitability of the business and also the performance of each branch. Where issues arise, remedial action is instigated. The Area Managers form an important link between senior management and branches and stock audits are regularly carried out. Key performance indicators also form an important part of the monitoring process, as do mystery shopping visits and regular staff reviews.

GOING CONCERN

The directors consider the going concern basis to be appropriate having paid due regard to the Company's projected results during the twelve months from the date the financial statements are approved and the anticipated cash flows, availability of bank facilities and mitigating actions that can be taken during that period.

In making their assessment of going concern the directors considered the current and developing impact on the business because of the Covid 19 pandemic. Whilst this had an immediate impact on the Company's operations, with closure of all stores during the year, these all reopened on 12 April 2021 and operating performance upon reopening was satisfactory.

The directors have taken a range of mitigating actions to protect and manage the short, medium and long-term interests of the business and its employees during the pandemic and, given the strong balance sheet position of the Company, it is not anticipated that Covid 19 will have any significant long-term impact, albeit the directors are aware that if the current situation becomes prolonged then this may need to be re-evaluated.

Approved by the board on 27th July 2021 and signed on its behalf by:

S B CORNWALL

Company Secretary

Independent Auditor's Report to the Members of F Hinds Limited

Opinion

We have audited the financial statements of F Hinds Limited for the year ended 28 March 2021 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes numbered 1 to 20. 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 28 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Independent Auditor's Report to the Members of F Hinds Limited (continued)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our 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.

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 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 company, 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 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 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.

Independent Auditor's Report to the Members of F Hinds Limited (continued)

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.

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:

Extent to which the audit is capable of detecting irregularities, including fraud

We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We design our procedures so as to obtain sufficient appropriate audit evidence that the financial statements are not materially misstated due to non-compliance with laws and regulations or due to fraud or error.

We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations – this responsibility lies with management with the oversight of the directors.

Based on our understanding of the company and its industry together with discussions with management and directors, we identified financial reporting standards and Companies Act 2006 as having a direct effect on the amounts and disclosures in the financial statements.

As part of the engagement team discussion about how and where the company's financial statements may be materially misstated due to fraud, we did not identify any areas with an increased risk of fraud.

Our audit procedures included:
• completing a risk-assessment process during our planning for this audit that specifically considered the risk of fraud;
• enquiry of management about the company's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
• examining supporting documents for all material balances, transactions and disclosures;
• review, where applicable, of minutes of meetings of the board of directors;
• enquiry of management, about any litigations and claims and inspection of relevant correspondence
• analytical procedures to identify any unusual or unexpected relationships;
• specific audit testing on and review of areas that could be subject to management override of controls and potential bias;
• considering management override of controls outside of the normal operating cycles including testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements including evaluating the business rationale of significant transactions, outside the normal course of business.

Independent Auditor's Report to the Members of F Hinds Limited (continued)

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organised schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

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 auditor's report.

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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Nigel Bostock

Nigel Bostock
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
55 Ludgate Hill
London
EC4M 7JW

27 July 2021

F HINDS LIMITED
INCOME STATEMENT
YEAR ENDED 28 MARCH 2021

	Notes	2021 £	*2020 £*
TURNOVER	2.3	37,031,441	*66,834,909*
Change in stocks of goods for resale		723,944	*4,043,503*
		37,755,385	*70,878,412*
Other operating income	7	10,145,998	*706,848*
		47,901,383	*71,585,260*
Other external charges		(27,058,441)	*(48,030,412)*
		20,842,942	*23,554,848*
Staff costs	5	(15,221,263)	*(18,852,074)*
Depreciation and amortisation	10,11	(780,132)	*(796,331)*
Other operating charges		(1,562,870)	*(1,502,257)*
		(17,564,265)	*(21,150,662)*
OPERATING PROFIT	4	3,278,677	*2,404,186*
Net interest receivable/(payable)		36,579	*155,736*
Finance cost	8	(112,000)	*(81,000)*
PROFIT BEFORE TAXATION		3,203,256	*2,478,922*
Tax on profit	9	(746,452)	*(452,951)*
PROFIT FOR THE FINANCIAL YEAR		2,456,804	*2,025,971*

The related notes 1 to 20 form part of these financial statements.

F HINDS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 28 MARCH 2021

	Notes	2021 £	*2020 £*
PROFIT FOR THE FINANCIAL YEAR		**2,456,804**	*2,025,971*
OTHER COMPREHENSIVE INCOME FOR THE YEAR			
Re-measurement of defined benefit pension scheme liability	20.6	**5,749,000**	*(2,105,000)*
Deferred tax arising on re-measurement of defined benefit pension scheme liability	15	**(1,092,000)**	*400,000*
		4,657,000	*(1,705,000)*
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**7,113,804**	*320,971*

The related notes 1 to 20 form part of these financial statements.

F HINDS LIMITED
STATEMENT OF FINANCIAL POSITION
28 MARCH 2021
Company Number: 00149328

	Notes	2021	2020
		£	£
FIXED ASSETS			
Intangible assets	10	79,942	70,894
Tangible assets	11	3,871,812	3,878,917
		3,951,754	3,949,811
CURRENT ASSETS			
Stock of goods for resale	12	29,745,788	29,021,844
Debtors: amounts falling due within one year	13	9,457,535	779,435
Cash at bank and in hand		2,354,835	10,924,125
		41,558,158	40,725,404
CREDITORS: amounts falling due within one year	14	(7,479,423)	(8,528,530)
NET CURRENT ASSETS		34,078,735	32,196,874
TOTAL ASSETS LESS CURRENT LIABILITIES		38,030,489	36,146,685
PROVISION FOR LIABILITIES AND CHARGES			
Deferred tax	15	(400,000)	(326,000)
NET ASSETS (excluding pension asset/liability)		37,630,489	35,820,685
Pension asset/(liability)	20.4	607,000	(4,697,000)
NET ASSETS (including pension asset/liability)		38,237,489	31,123,685
CAPITAL AND RESERVES			
Called up equity share capital	16	1,980,000	1,980,000
Profit and loss account		36,257,489	29,143,685
SHAREHOLDERS' FUNDS		38,237,489	31,123,685

The financial statements were approved and authorised for issue by the board on 27th July 2021 and were signed on its behalf by:

D R H HINDS

Director

N A HINDS

Director

The related notes 1 to 20 form part of these financial statements.

F HINDS LIMITED
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 28 MARCH 2021

	Called Up Share Capital £	Profit and Loss Account £	Total £
31 March 2019	1,980,000	28,822,714	30,802,714
Pension scheme actuarial loss	-	(2,105,000)	(2,105,000)
Deferred tax re actuarial loss	-	400,000	400,000
Profit for the financial year	-	2,025,971	2,025,971
29 March 2020	**1,980,000**	**29,143,685**	**31,123,685**
Pension scheme actuarial gain	-	5,749,000	5,749,000
Deferred tax re actuarial gain	-	(1,092,000)	(1,092,000)
Profit for the financial year	-	2,456,804	2,456,804
28 March 2021	**1,980,000**	**36,257,489**	**38,237,489**

The related notes 1 to 20 form part of these financial statements.

1. GENERAL INFORMATION

The Company is a private limited company (limited by shares) and its principal activity during the year continued to be the retailing of jewellery, watches and associated products. The Company's principal place of business and its registered office are located at 24 Park Road, Uxbridge, Middlesex, UB8 1NH, England, United Kingdom.

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 United Kingdom and the Republic of Ireland and the Companies Act 2006.

The Company has taken advantage under the exemptions available not to present a statement of cash flows and to not disclose certain information regarding financial instruments as a result of those disclosures being made in the consolidated financial statements of the Company's ultimate parent undertaking.

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

2.2 Going Concern

The directors consider the going concern basis to be appropriate having paid due regard to the Company's projected results during the twelve months from the date the financial statements are approved and the anticipated cash flows, availability of bank facilities and mitigating actions that can be taken during that period.

In making their going concern assessment, the directors have considered the ongoing impact of the Covid 19 pandemic on the Company and its Group which has had and continues to have a significant impact on the non-essential retail sector due to restrictions and lockdowns. The directors consider that the Company and its Group remain resilient due to their strong financial position which arose from long term prudent financial management, particularly throughout the pandemic, and a range of mitigating actions the directors have and could continue to take to protect and manage the short, medium and long-term interests of the Company and its Group if further business interruption arises.

The financial statements do not include any adjustments that may be result from any significant changes in the assumptions noted above in preparing the financial statements on a going concern basis.

2. ACCOUNTING POLICIES (Continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and when all of the following conditions are satisfied:

- The Company has transferred the significant risks and rewards of ownership to the buyer;
- The amount of revenue can be measured reliably;
- It is probable that the Company will receive the consideration due under the transaction;
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

Sales of goods and services are recognised as revenue when the goods have been delivered or the services rendered. Revenue is recognised for sales transacted at stores at the point of sale when the customer receives and pays for the merchandise at the till. For sales where the merchandise is delivered to the customer, revenue is recognised at the time when the goods are despatched.

Sales of gift cards are treated as liabilities, and revenue is recognised when the gift cards are redeemed against a later transaction.

Sales of gold repurchased in store from customers is recognised when the gold is provided to the third party purchaser and agreement regarding weight, value, price and acceptance of the gold is made.

All revenue arose in the United Kingdom and was in respect of the Company's principal activity.

2.4 Intangible Fixed 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 five years.

2. ACCOUNTING POLICIES (Continued)

2.5 Tangible Fixed Assets

Depreciation is calculated to write down the cost, less estimated residual value, of all tangible fixed assets by equal annual instalments over their expected useful lives.

The periods generally applicable are:

Shop fronts, furniture and equipment	- 5 - 10 years
Motor vehicles	- 4 years

The freehold property held at the end of the financial year has had no depreciation charged to that date as a result of the directors' assessment that the estimated residual value of the properties concerned being considered to be in excess of their cost.

2.6 Operating leases: Lessee

Rentals under operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

Rent concessions agreed prior to the year-end relating to the financial year are recognised in the financial statements. Rent concessions agreed subsequent to the year-end relating to the financial year are considered to be non-adjusting post balance sheet events and are not recognised in the financial statements.

2.7 Stock

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 first in, first out basis.

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 profit or loss.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment.

2. ACCOUNTING POLICIES (Continued)

2.9 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.

2.10 Creditors

Short term creditors are measured at transaction price.

2.11 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 Statement of Comprehensive Income.

2.12 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

Defined benefit pension plan

The Company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

2. ACCOUNTING POLICIES (Continued)

Defined benefit pension plan (continued)

The liability recognised in the Statement of Financial Position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of plan assets at the reporting date (if any) out of which the obligations are to be settled.

Where the present value of the defined benefit obligation at the reporting date is less than the fair value of plan assets at that date, the plan has a surplus. In this circumstance, the surplus shall be recognised as a defined benefit plan asset on the basis that and only to the extent that the entity it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

The defined benefit obligation is calculated using the projected unit credit method. Annually the Company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Re-measurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- The increase in net pension benefit liability arising from employee service during the period; and
- The cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company 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 Income statement in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position 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 Statement of Financial Position.

2. ACCOUNTING POLICIES (Continued)

2.14 Current and Deferred Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Income statement, except that a change 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 in the UK by the reporting date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position 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 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.

2.15 Government and other grants

Grants are accounted for 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 income statement in the same period as the related expenditure.

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements include estimation, where applicable, for items relating to stock costing, defined benefit pension scheme assumptions and depreciation rates for tangible fixed assets.

4. OPERATING PROFIT

	2021	*2020*
	£	*£*
The operating profit Is stated after charging / (crediting):		
Depreciation of tangible fixed assets	740,755	*746,140*
Amortisation of intangible fixed assets	39,377	*50,191*
(Profit)/loss on disposal of tangible fixed assets	(119,555)	*13,082*
Exchange differences	75,379	*(30,976)*
Operating lease rentals: land and buildings	7,215,347	*9,144,876*

Auditors' remuneration for audit and taxation services was £54,300 (2020: £55,700) and £36,340 (2020: £31,660) respectively.

5. EMPLOYEES

	2021	*2020*
Staff costs, including directors' remuneration, were as follows:	£	*£*
Wages and salaries	14,015,068	*16,813,597*
Social security costs	924,985	*1,152,651*
Cost of defined benefit pension scheme		
• Recovery plan and additional contributions	415,100	*-*
• Regular contributions	432,224	*496,915*
• Actuarial employer contributions	(847,000)	*(1,151,000)*
• Current service cost	782,000	*784,000*
• Other	-	*289,000*
• Past service costs including curtailments	(847,000)	*-*
• Administrative expenses	1,000	*1,000*
Cost of defined contribution pension scheme	344,886	*465,911*
	15,221,263	*18,852,074*

	2021	*2020*
The average monthly number of full-time equivalent employees, including the directors, during the year was:	No.	*No.*
Management and administration	54	*49*
Distribution	33	*38*
Retail	526	*597*
	613	*684*

6. DIRECTORS' EMOLUMENTS

	2021	*2020*
	£	*£*
Directors' emoluments	**542,404**	*634,075*

The highest paid director received remuneration of £161,657 (2020: £178,712), and no Company pension contributions were paid on their behalf (2020: Nil).

Total Company contributions to directors defined contribution pension schemes were £Nil (2020: £20,000).

The directors consider the Company's key management to be the directors of the Company.

7. OTHER OPERATING INCOME

	2021	*2020*
	£	*£*
Government grants receivable: CJRS furlough monies	**6,454,351**	-
Other grants receivable	**3,177,449**	-
Other	**514,198**	*706,848*
	10,145,998	*706,848*

8. FINANCE INCOME/(COST)

Defined benefit pension scheme:		
Interest income	**1,245,000**	*1,432,000*
Interest cost	**(1,357,000)**	*(1,513,000)*
	(112,000)	*(81,000)*

9. TAXATION

	2021	2020
	£	£
Corporation tax		
Current tax on profits for the year	491,085	276,497
Adjustments in respect of previous periods	29,367	134,454
	520,452	410,951
Deferred tax		
Origination and reversal of timing differences	226,000	42,000
Tax on profit	746,452	452,951

Factors affecting the tax charge for the year
The tax assessed for the year is different from the standard rate of corporation tax in the UK. The differences are explained below:

	2021	2020
Profit before tax	3,203,256	2,478,922
Profit before tax multiplied by the standard rate of corporation tax in the UK of 19% (2020: 19%)	608,619	470,995
Effects of:		
Group relief	(10,034)	(59,919)
Other differences	147,867	41,875
Tax on profit (see above)	746,452	452,951

Factors that may affect future tax charges

There are no significant factors affecting future tax charges other than the items detailed within the deferred taxation note.

10. INTANGIBLE FIXED ASSETS

	Computer Software £
Cost:	
30 March 2020	*343,174*
Additions	48,425
28 March 2021	**391,599**
Depreciation:	
30 March 2020	*272,280*
Charge for the year	39,377
28 March 2021	**311,657**
Net book value:	
28 March 2021	**79,942**
29 March 2020	*70,894*

11. TANGIBLE FIXED ASSETS

	Freehold Property £	Shop Fronts Furniture and Equipment £	Motor Vehicles £	Total £
Cost:				
30 March 2020	*815,495*	*15,838,854*	*62,809*	*16,717,158*
Additions	-	760,305	49,340	809,645
Disposals	(75,995)	(163,062)	(13,747)	(252,804)
28 March 2021	**739,500**	**16,436,097**	**98,402**	**17,273,999**
Depreciation:				
30 March 2020	-	*12,814,234*	*24,007*	*12,838,241*
Charge for the year	-	716,156	24,599	740,755
Disposals	-	(163,062)	(13,747)	(176,809)
28 March 2021	**-**	**13,367,328**	**34,589**	**13,402,187**
Net book value:				
28 March 2021	**739,500**	**3,068,769**	**63,543**	**3,871,812**
29 March 2020	*815,495*	*3,024,620*	*38,802*	*3,878,917*

12. STOCK

	2021 £	2020 £
Finished goods and goods for resale	**29,745,788**	*29,021,844*

13. DEBTORS

	2021 £	2020 £
Trade debtors	**48,680**	*108,404*
Amounts owed by group undertakings	**6,179,087**	*260,845*
Corporation tax	**-**	*33,503*
Other debtors	**2,592,855**	*197,319*
Prepayments	**636,913**	*179,364*
	9,457,535	*779,435*

14. CREDITORS: amounts due within one year

	2021 £	2020 £
Trade creditors	1,316,294	1,836,802
Other taxes and social security costs	222,259	2,865,524
Corporation tax	152,054	-
Other creditors	1,031,919	963,475
Accruals and deferred income	4,756,897	2,862,729
	7,479,423	8,528,530

15. DEFERRED TAXATION

	2021 £	2020 £
Brought forward	(776,000)	(418,000)
Accelerated capital allowances:		
Charge/(credit) for the year in income statement	74,000	(12,000)
Defined benefit pension scheme liability:		
Charge/(credit) for the year in other comprehensive income	1,092,000	(400,000)
Charge/(credit) for the year in income statement	152,000	54,000
Carried forward	542,000	(776,000)

Deferred taxation is analysed as follows:

	2021	2020
Accelerated capital allowances	400,000	326,000
Defined benefit pension scheme liability/(asset)	142,000	(1,102,000)
	542,000	(776,000)

16. SHARE CAPITAL

	2021	2020
	£	£
Allotted, called up and fully paid:		
1,980,000 Ordinary shares of £1 each	**1,980,000**	*1,980,000*

17. COMMITMENTS

Capital commitments for which no provision has been made in these financial statements were £Nil (2020: £Nil) at the year-end.

At 28 March 2021 the Company had future minimum lease payments under property operating leases as follows:

	2021	2020
	£	£
Not later than one year	**4,285,217**	*3,883,972*
Later than one year and not later than five years	**12,315,918**	*13,894,058*
Later than five years	**18,117,848**	*24,452,570*
	34,718,983	*42,230,600*

18. RELATED PARTY TRANSACTIONS

During the year the Company transacted with two of its pension schemes, F Hinds Pension Fund ("FHPF") and PR Pension Fund ("PRPF"). Both of these schemes own retail shop premises that are leased to the Company on normal commercial terms. In the year the Company paid rent of £15,779 (2020: £29,000) to the FHPF and £294,901 (2020: £360,700) to the PRPF.

The company has provided certain guarantees to other group undertakings for which no present liability on the company has arisen.

The Company is exempt from disclosing its transactions with fellow group undertakings.

19. PARENT UNDERTAKING

The Company's immediate and ultimate parent undertaking is Hinds Ltd. Hinds Ltd prepares consolidated financial statements that are publicly available from Companies House and has the same registered office as the company.

20. PENSION COSTS

20.1 Summary

The Company is the sponsoring employer of a funded defined benefit pension scheme in the UK ("the Fund"), which provides retirement benefits based on members' salaries when leaving employment. The assets of the Fund are held in a separately administered fund and the Fund is administered by a trustee body (independent of the Company) who are responsible for ensuring that the Fund is sufficiently funded to meet current and future obligations.

The liabilities set out in this note have been calculated based on the results of the full Scheme Funding Assessment as of 31 March 2018, updated to 31 March 2021, allowing for additional benefit accrual and benefits paid. The present value of the defined benefit obligation, the related current service cost and past service costs were measured using the projected unit credit method.

The Company has agreed a funding plan with the trustee body, whereby ordinary contributions are made into the Fund based on a percentage of active employees' salary. Additional contributions are agreed with the trustee to reduce the funding deficit where necessary.

The disclosures set out below are based on calculations carried out as at 31 March 2021 by an independent qualified actuary.

The results of the calculations and the assumptions adopted are shown below:

20. PENSION COSTS (Continued)

20.2 Principal Assumptions

The principal actuarial assumptions at the balance sheet date were:

	2021	2020
	%	%
Discount rate	1.95	2.30
Aggregate long-term expected rate of return on assets (net of expenses)	1.95	2.30
Inflation – RPI	3.30	2.90
Inflation – CPI pre 2030	2.30	2.10
Inflation – CPI post 2030	3.30	2.10
Future increases in deferred pensions pre 2030	2.30	2.10
Future increases in deferred pensions post 2030	3.30	2.10
Rate of increase in pensionable salaries	n/a	2.90
Rate of increase to pensions in payment		
• LPI (max 5.0%) based on RPI	3.20	2.85
• LPI (max 2.5%) based on RPI	2.25	2.10
• CPI (max 3.0%) pre 2030	2.05	1.90
• CPI (max 3.0%) post 2030	2.55	1.90
	Years	Years
Life expectancy of male aged 65 now	21.60	21.60
Life expectancy of male aged 65 in 20 years	23.00	22.90
Life expectancy of female aged 65 now	23.60	23.50
Life expectancy of female aged 65 in 20 years	25.10	25.10
Mortality	100%S2PxA2019 LTR1.25%	100%S2PxA2019 LTR1.25%
Cash commutation	20% of pension converted to cash	20% of pension converted to cash

For the avoidance of doubt the above assumptions are in absolute terms.

20.3 Asset Breakdown

The major categories of Fund assets were:

	2021	2020
	%	%
UK equities	32	29
Overseas equities	24	20
UK government index linked bonds	8	10
UK Corporate Bond	6	7
Absolute return bonds	13	14
Property	1	1
Diversified growth/commodity	15	15
Cash	1	4
	100	100

20. PENSION COSTS (Continued)

20.4 Employee Benefit Obligations

The amounts recognised in the balance sheet:

	2021 £'000	2020 £'000
Fair value of Fund assets	65,467	54,985
Actuarial value of Fund liabilities	(64,718)	(60,784)
Asset/(liability) in the Fund	749	(5,799)
Related deferred tax (liability)/asset	(142)	1,102
Pension asset/(liability) recognised in the balance sheet	607	(4,697)

20.5 Total Expense Recognised in Profit and Loss Account

The amounts recognised in the profit and loss account for the current year and previous year were as follows:

	2021 £'000	2020 £'000
Current service cost	782	784
Administration expenses	1	1
Net interest on the net defined benefit liability	112	81
Past service costs including curtailments	(847)	-
	48	866

20.6 Total Expense Recognised in Other Comprehensive Income

The amounts recognised in other comprehensive income for the current year and previous year were as follows:

	2021 £'000	2020 £'000
Actual return on Fund assets	12,273	(3,340)
Amounts included in net interest on the net defined benefit liability	(1,245)	(1,432)
Re-measurement (gains)/losses		
• Return on Fund assets excluding interest income	11,028	(4,772)
• Actuarial gains and losses	(5,279)	2,667
	5,749	(2,105)

20. PENSION COSTS (Continued)

20.7 Changes in present value of defined benefit obligation

	2021 £'000	*2020 £'000*
Opening value of Fund liabilities	60,784	62,535
Benefits paid	(2,774)	(1,535)
Current service cost	782	784
Interest cost	1,357	1,513
Re-measurement (gains)/losses		
• Actuarial	5,279	(2,667)
Employee contribution	137	154
Past service costs including curtailments	(847)	-
Closing value of Fund liabilities	64,718	60,784

20.8 Changes in the fair value of Fund assets

	2021 £'000	*2020 £'000*
Opening fair value of Fund assets	54,985	*58,556*
Interest income	1,245	*1,432*
Re-measurement gains		
• Return on fund assets excluding interest income	11,028	*(4,772)*
Administration costs	(1)	*(1)*
Employer contributions	847	*1,151*
Employee contributions	137	*154*
Benefits paid including expenses	(2,774)	*(1,535)*
Closing fair value of Fund assets	65,467	*54,985*